



World Customs
Organization

ENFORCEMENT
AND COMPLIANCE

Illicit Trade Report 2022





ENFORCEMENT
AND COMPLIANCE

ILLICIT TRADE REPORT

2022



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Customs



THIS REPORT WILL SERVE AS A REFERENCE
TO POLICY MAKERS, ACADEMIA AND
ALL THOSE WHO ARE INTERESTED IN
UNDERSTANDING TRENDS AND PATTERNS
WITH REGARD TO THE SAFETY AND
SECURITY OF CROSS-BORDER TRADE.

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Foreword

Dr Kunio MIKURIYA
Secretary General
World Customs Organization

"By understanding emerging trends and harnessing the power of open-source information, we can boost our efforts to combat illicit trade and safeguard the integrity of international commerce."

Dear Reader,

It is a great honour to present to you the 2022 edition of the WCO Illicit Trade Report (ITR). The ITR serves as a testament to the remarkable efforts made by Customs administrations across the world in combatting illicit trade and by the World Customs Organization (WCO) in unravelling and understanding its complexities.

Illicit trade continues to pose a significant threat to global security, economic stability and the well-being of our societies. From counterfeit goods and drug smuggling to the trafficking of wildlife and cultural artefacts, these criminal activities undermine legitimate economies, fuel organized crime networks, and compromise the health and safety of individuals around the globe.

The ITR serves as a vital tool in our collective efforts to address this pressing global challenge. It offers a comprehensive analysis of existing threats, of *modi operandi* and of innovative solutions to combat illicit trade. By shedding light on some of the dynamics of illicit markets, this Report gives Customs administrations and policy-makers invaluable insights that can shape effective strategies and policies.

In recent years, we have witnessed the increasing sophistication and adaptability of illicit trade networks. These networks exploit technological advancements, take advantage of the vulnerabilities in supply chains, and operate across borders with ease. As the complexity of illicit trade grows, so too must our commitment to collaboration, information sharing and capacity building.

The Report draws on a painstaking examination of diverse data sources, including Customs Enforcement Network (CEN) data, open-source information, surveys, and case studies provided by the Regional Intelligence Liaison Offices (RILOs).

The Report covers the following key topics and commodities:

- **Cultural Heritage:** this year, the focus of this section is on Ukraine and on the illicit trafficking of the country's cultural objects during the war.
- **Drugs:** this section offers a comprehensive analysis of trends, detection methods and concealment techniques. The results of the Container Control Programme (CCP) pilot Operation TIN CAN are also examined. This Operation is a collaborative effort between the WCO, the Australian Border Force (ABF) and the United Nations Office on Drugs and Crime (UNODC), exposing internal conspiracies and underscoring the crucial role of ensuring supply chain integrity to combat the drug trade.
- **Anti-Money laundering and Counter-Terrorism Financing:** this section focuses on the TENTACLE and OCTAGON Projects which provide capacity building and operational support in five regions and which have resulted in substantial seizures, interdictions and arrests.
- **Environment:** this section examines the illegal trade in wildlife, timber, waste, and substances that deplete the ozone layer.
- **Intellectual Property Rights (IPR), Health and Safety:** this section demonstrates the importance of inter-agency cooperation at national and international levels to strengthen each other's profiling capabilities and disrupt entire illicit distribution networks.
- **Revenue:** this section examines the illicit trade in tobacco and alcohol products, focusing on trends in the movement of these excise goods and the most prevalent types of fraud, such as undervaluation, smuggling and misdescription.
- **Security:** this section looks at trends in the trafficking of fire-arm components, including through e-commerce and the dark net, and discusses the challenge posed by "ghost guns" together with the use of unserialized and untraceable fire-arms. It also explores the implications of fragile borders for Customs operations and the threat they pose to the safety and security of countries and their citizens.

This year, particular efforts have been made under the WCO Charter of Data Quantity and Quality Enhancement in the CEN to increase the data available for analysis. Furthermore, the new CEN visualization tool has allowed us to gain deeper insights from the data, demonstrating the value of the CEN database and enabling us to make the most of cutting-edge visualization and analytical techniques. A noteworthy addition to this Report is the section dedicated to open-source information, namely the Customs Enforcement Scan.

The WCO is committed to placing human capital, particularly the new generation, at the heart of Customs transformation to ensure its continued success. This year's theme, "Nurturing the next generation: promoting a culture of knowledge-sharing and professional pride in Customs", emphasizes the need to empower tomorrow's Customs officers. I am proud that this Report reflects the combined efforts of a young team of analysts and professionals who embody the future of Customs. Their contributions exemplify the WCO's commitment to fostering new talent within the Customs community.

I extend my deepest appreciation to the WCO Members, partners and stakeholders whose participation and dedication have made the production of this Report possible. Their invaluable contributions, including data sharing, case studies and survey responses, have enabled us to develop a comprehensive understanding of the challenges we face and to lay firm foundations for effective enforcement strategies.

The WCO remains steadfast in its dedication to supporting the international Customs community in combatting illicit trade and fostering a secure, sustainable and prosperous global trade environment. Together, we can make a significant impact towards safeguarding our societies and economies from the threats posed by illicit trade. Protecting our global community is a shared responsibility, and I trust that this Report will serve as a vital resource for guiding our future border enforcement strategies.

Let us continue our collective efforts to uphold the integrity of trade and build a future where legality, fairness and transparency prevail.





Introduction

The WCO Illicit Trade Report, established in 2012, provides valuable insights into cross-border criminal activities. Through meticulous analysis of seizure data voluntarily submitted by Customs administrations worldwide, the Report sheds light on the extent of illicit trade and presents an overview of Customs' enforcement efforts.

The Report serves a dual purpose for the WCO. Firstly, it aims to raise awareness about critical areas of Customs enforcement. Secondly, it contributes to the existing knowledge on illicit trade, enabling policymakers to gain a comprehensive understanding of the global situation and empowering Customs administrations to enhance their response effectively.

The current edition of the Report focuses on seven key risk areas within Customs enforcement: anti-money laundering and counter-terrorism financing, cultural heritage, drugs, environment, intellectual property rights, health and safety, revenue, and security. By addressing these areas, the Report provides valuable insights into the challenges and opportunities associated with combating illicit trade.

1. Data and methodology:

Introduced by the WCO in 2000, the CEN plays a vital role in assisting the Customs community with enforcement activities by collecting data and information for intelligence purposes. This database serves as a central repository for enforcement-related information and relies on the consistent flow of high-quality data provided by all WCO Members to achieve its objectives.

1.1 CEN

The analysis presented in this Report relies heavily on data collected from the WCO Customs Enforcement Network (CEN), just like in previous reports. The CEN serves as a comprehensive database where Customs administrations worldwide report seizures and offenses. Data can be entered manually by CEN users or through various electronic data interchange solutions, enabling bulk uploads, automated transfers, and machine-to-machine communication. The database includes seizures reported by Customs, joint Customs and Police units, and other law enforcement agencies. The twelve Regional Intelligence Liaison Offices (RILOs) actively contribute to data entry, validation, and quality control processes in the CEN. Continuous updates and reviews ensure that the CEN remains a dynamic and invaluable resource. Currently, it has over 3,500 users from 185 Customs administrations who voluntarily contribute non-personal national seizure and offense data. Access to the CEN is strictly regulated to ensure comprehensive governance of data handling and protection. Importantly, the CEN is the sole global Customs database for enforcement information.

The introduction of data visualization solutions in the CEN

The CEN has recently introduced cutting-edge data visualization solutions. These advanced tools have been implemented to provide Members with an instant and comprehensive overview of illicit trafficking trends, eliminating the need for extensive data analysis expertise. By leveraging these solutions, Customs administrations can effectively uncover hidden patterns and trends that lie within complex datasets, thereby strengthening their risk analysis capabilities and optimizing Customs controls for improved efficiency.

The primary objective of the CEN Data Visualization Project, funded by Indian Customs, is to present CEN data in a user-friendly and easily understandable format, and make it accessible to Member administrations, RILOs, and all CEN users. The intention behind this approach is to enable stakeholders to access and utilize valuable data without requiring specialized analytical or IT skills. By removing the barriers of technical complexity, the project aims to democratize data access and empower all users to make informed decisions based on the insightful visual representations derived from the data.

The implementation of data visualization solutions not only facilitates efficient data interpretation but also serves as a catalyst for collaboration and knowledge sharing among Customs authorities. By providing a common visual language and intuitive interface, the CEN Data Visualization Project fosters communication and enhances the exchange of best practices and lessons learned in combating illicit trade. This collaborative approach strengthens the collective response to global challenges and enables Customs administrations to proactively address emerging threats.

Furthermore, the data visualization solutions within the CEN contribute to the continuous evolution of Customs enforcement capabilities. By utilizing state-of-the-art technology and data visualization techniques, the project empowers

Customs authorities to stay ahead of evolving trends and adapt their strategies accordingly. The visual representations derived from the data offer valuable insights into emerging patterns, modus operandi of criminals, and vulnerabilities in the global supply chain, enabling proactive measures to mitigate risks and protect national interests.

The introduction of data visualization solutions in the CEN marks a significant advancement in supporting decision-making processes within Customs administrations. By making complex data easily accessible and understandable, these solutions empower users to leverage the insights derived from the data, strengthen collaboration, and enhance overall enforcement efforts against illicit trade.

1.2 Other data sources

This 2022 Report further includes data and information obtained from various sources, broadening its scope and depth of analysis. These sources include official government media outlets, reports published online by Member administrations, and international organizations actively involved in countering illicit trade. By tapping into these diverse sources, the Report strives to capture a comprehensive picture of illicit trade.

Furthermore, the WCO Secretariat conducted a survey specifically designed to gather additional data from its Members and the Regional Intelligence Liaison Offices network. The survey aimed to obtain an overview of seizure statistics and identify trends in illicit trade. The WCO received an encouraging response from 46 Member administrations, demonstrating their generous cooperation and commitment to combating illicit activities.

The Report goes beyond traditional data sources and incorporates an analysis of illicit trade based on open sources as well. This is exemplified in the 'Customs Enforcement Scan' section, which provides a detailed examination of illicit trade utilizing information from publicly available channels. By leveraging open sources, the Report enhances its understanding of emerging patterns and trends in cross-border criminal activities.

The 2022 Report employs a multi-dimensional approach, combining seizure data, international organization insights, Member surveys, and analysis of open sources to provide a comprehensive and informed assessment of illicit trade.

2. Executive Summary of the Report

In the first section of the WCO Illicit Trade Report, the **ANTI-MONEYLAUNDERING AND COUNTER-TERRORISM FINANCING** (AML-CTF) Programme provides an oversight of the WCO's recently created operational law enforcement programme. The AML-CTF Programme was established in 2018 to combat all forms of money laundering and terrorism financing within the Customs realm. It also offers support to other WCO law enforcement Programmes within the Compliance & Enforcement Sub-directorate. The AML-CTF Programme is funded by Japan Customs Services and the U.S. Department of State – Bureau of International Narcotics and Law Enforcement Affairs (DoS-INL). The Programme includes two major initiatives: Project TENTACLE and Project OCTAGON, which provide essential capacity building and operational support to Customs administrations, police services, and FIUs in five different regions of the world: Latin America, Africa, Asia-Pacific, Eastern Europe, and the Middle East.

As you will read in the AML-CTF Programme section later in this document, the training and operational efforts of the Programme were impressive in 2022. Over 200 Customs and financial intelligence unit (FIU) officers were trained that year. The total value of seizures and interdictions of currency, currency equivalents, gold/precious metals, and gems/diamonds achieved through Project TENTACLE operations in Latin America, the Middle East/Caucasus, Africa, and the Mediterranean region in 2022 exceeded \$35 million. Additionally, more than 70 subjects were arrested during these Project TENTACLE operations. It's worth noting that there is a significant amount of gold being smuggled by criminals and criminal organizations across international borders on a daily basis, and their smuggling and concealment techniques are highly sophisticated.

In October 2022, the Project OCTAGON Hotzone Prioritization Forum was launched at the WCO Headquarters in Brussels, Belgium. This important cross-cutting law enforcement effort will provide vital support to Customs administrations through tailored training in AML and other Customs crime sets, addressing elevated challenges in specific sub-regions.

The second section, **CULTURAL HERITAGE**, focuses on the illicit trafficking of stolen or looted cultural objects, including archaeological objects and works of art. The most significant story in the realm of cultural heritage in 2022 was the conflict in Ukraine, resulting in the destruction and expropriation of Ukrainian cultural patrimony. This section primarily highlights examples of Customs interventions in this illegal trade and the responses that have been developed to address this tragic circumstance.

In the **DRUGS SECTION**, global trends in drug trafficking are analyzed, including detection methods and concealment techniques in 2022 compared to 2021. It also delves into specific drug types such as cocaine, cannabis, khat, PSY, opioids, opiates (with an emphasis on heroin and fentanyl), and NPS. The Report underscores the impact of drug trafficking on public health and the growing use of digital platforms and e-commerce. Additionally, it presents cases of interest submitted by WCO Member administrations and the primary ongoing programmes of the WCO to guide, support, and enhance the use of advanced technologies.

In addition, to further strengthen the fight against the alarming contamination of the international container trade by drugs, in particular cocaine, the WCO is increasing the pressure on criminal networks by planning an innovative control "Operation Tin Can" in 2023, under the UNODC-WCO Container Control Programme, in close cooperation with shipping companies and using new technologies. This pilot-operation on Rip on-Rip off has involved the cooperation of the main maritime shipping lines, the use of technologies to detect infringements and has finally targeted trusted insiders. The WCO is also targeting organized crime networks by developing measures to address the internal threat posed by logistics platforms through new partnerships, in particular with the Australian Border Force (ABF), and by strengthening inter-agency cooperation on alternative vectors, such as general aviation, with the support of the European Union (EU) through the COLIBRI project.

The magnitude of environmental crime related to illegal wildlife and timber trade products, waste, and substances controlled under the Montreal Protocol, has witnessed an upward trajectory, as is illustrated by a detailed analysis in the **ENVIRONMENT SECTION**. This analysis relies on seizure data provided replace by the WCO Members, through the CEN and global enforcement operations, notably DEMETER VIII and THUNDER 2022. The operations respectively pertain to waste and substances controlled under the Montreal Protocol and to wildlife and timber. The results confirm a continued trend in illicit trade of environmentally sensitive commodities on a global scale. Illegal waste trade covering a wide spectrum of materials ranging from electronic and electrical waste (E-waste), plastic waste, metal waste to mixed waste continues. Together with a lack of environmentally sound management practices and weak enforcement of regulations pertaining to waste in various destinations all over the world, it amplifies the negative impact of improper management of waste on human health and the environment. The illegal trade in wildlife impacts a wide range of species globally with source countries being most affected by the loss of biodiversity resulting from illegal wildlife trade.

This chapter offers valuable insights from Customs law enforcement officers that highlight trends, provide case studies, and demonstrate successes and lessons learnt through global enforcement operations, which can be used by various stakeholders in understanding the current dynamics in environmental crime at various levels. Furthermore, the chapter emphasizes the crucial enforcement role played by Customs administrations in combating these illicit crimes and the need for enhanced inter-agency cooperation and partnerships to effectively combat and discourage transboundary environmental crimes.

The **IPR, HEALTH, AND SAFETY SECTION** of this Report discusses the global illicit trade in counterfeit and medical goods in 2022, with a particular focus on two categories: IPR products (counterfeit non-medical goods) and medical products (illicitly traded and smuggled medical goods). Non-medical IPR products witnessed a decrease of 5.5% in 2022, although 43.7 million pieces were still reported. Illicit medical product trafficking notably increased in 2022, with over 189.4 million units seized, despite a 54% decrease in the number of seizures. Mail was the dominant method for transporting counterfeit goods, accounting for 78% of total seizures. Asia Pacific emerged as the largest departure point for IPR goods, with the Americas and Europe being the main destinations. Counterfeit accessories and clothing

were the most common items seized. Nervous system agents were the largest intercepted category in 2022. Smaller parcels were the most common method for trafficking medicines. Small parcels were the most frequent concealment method for trafficking medicine, 64% of the seizures were concealed in this way for trafficking 4% of the total quantity.

Overall, reports of counterfeiting were received from Members in all WCO regions, confirming that the threat of IPR crime is a global one.

In the area of illicit trade in tobacco products and alcohol, trends that emerged during, and as a result of, the COVID-19 pandemic persist in the illicit movement of excise goods. However, criminal networks are continuously adapting their methods and modus operandi within a changing trade and fiscal landscape. WCO Members worldwide have reported the emergence of new routes and concealment techniques. Notably, sea shipping has been identified as a mode of transportation posing an increasing risk. In the area of commercial fraud, undervaluation, smuggling and misdescription were identified as the most prevalent frauds in the 2022 WCO Trendspotter report. The Report also discussed the following sectors as posing a threat: illicit activities carried out through the e-commerce channel, shell and vanishing companies, circumvention of antidumping and countervailing duties, free zones, cargo, passengers and VAT fraud. In addition, the Report pointed out the elements affecting how fraudsters operate but also how they adapt to changes and crisis. It also proposed additional indicators for analyzing risks.

The **REVENUE SECTION** of this Report offers a comprehensive global overview of the illicit trade in tobacco products and alcohol, covering the years 2021 and 2022. The illegal production of tobacco has significantly impacted the industry, extending beyond specific jurisdictions and becoming widespread. Similarly, jurisdictions are grappling with significant health concerns due to the illicit production of alcohol, resulting in fatal consequences in certain regions of the world. Customs administrations continue to prioritize the control of excise goods as part of their core responsibility for revenue collection. Despite evolving challenges, they remain committed to combating illicit trade and safeguarding financial interests.

The **SECURITY SECTION** of this Report highlights the vital role of Customs in preventing the illicit entry of dangerous goods, including explosive precursors, weapons, and materials of mass destruction. Specifically, the section focuses on the illicit firearms trade, which constitutes the primary category of seizure data reported by Members. Recent trends reveal an increase in the trafficking of firearms components, facilitated through e-commerce platforms and the dark net. Criminals exploit these channels to purchase individual parts and subsequently assemble fully functioning weapons. This practice presents a significant challenge for detection, as disassembled firearms are harder to identify, even with advanced non-intrusive technologies such as X-ray scanners. Furthermore, the proliferation of online markets, including crypto markets on the dark net, has contributed to the growth of the illegal firearms trade. Notably, the emergence of "Ghost Guns" is of particular concern. These unserialized and untraceable firearms can be purchased online and easily assembled at home using kits that include all necessary components, often

incorporating plastic or 3D-printed parts. The emerging use of such technology creates additional challenges for Customs detection efforts. By focusing on these evolving trends, Customs administrations and relevant stakeholders can better adapt their strategies to safeguard public safety and prevent the misuse of firearms..

Acknowledging the challenging circumstances arising from vulnerable borders and conflict-affected environments, and recognizing their profound implications for both society and the operations of Customs, the WCO has undertaken significant efforts in addressing the issue of border fragility. In 2016, the WCO research unit initiated comprehensive research on this subject, laying the foundation for subsequent endeavours. Building upon this groundwork, the WCO has pursued its commitment to addressing border fragility, culminating in the publication of a report in 2022 titled "Customs, Security and Fragile Borders: Practices and Recommendations from the Experience of the North Africa, Near and Middle East Region." Additionally, the organization convened a dedicated conference on fragile borders and formulated an actionable Fragile Border Action Plan, slated for implementation in the forthcoming years. These collective initiatives underscore the WCO's dedication to addressing the challenges presented by fragile borders and conflict-affected regions, fostering enhanced security and efficiency within the realm of Customs and wider society.





Customs Enforcement Scan 2022

Overview of Illicit Trade

In 2022, a further increase in illicit trade was observed, particularly in alcohol, cash, cocaine and methamphetamine/amphetamine, as global trade, both in terms of goods and passenger flows, was returning to pre-pandemic levels. Open data analysis on the type of cargo in which cocaine was concealed described how criminal organizations depended on and exploited legitimate trade channels. CEN data analysis confirmed the dilemma of allocating resources of Customs control between small but frequent seizures in mail and less frequent but huge vessel seizures.

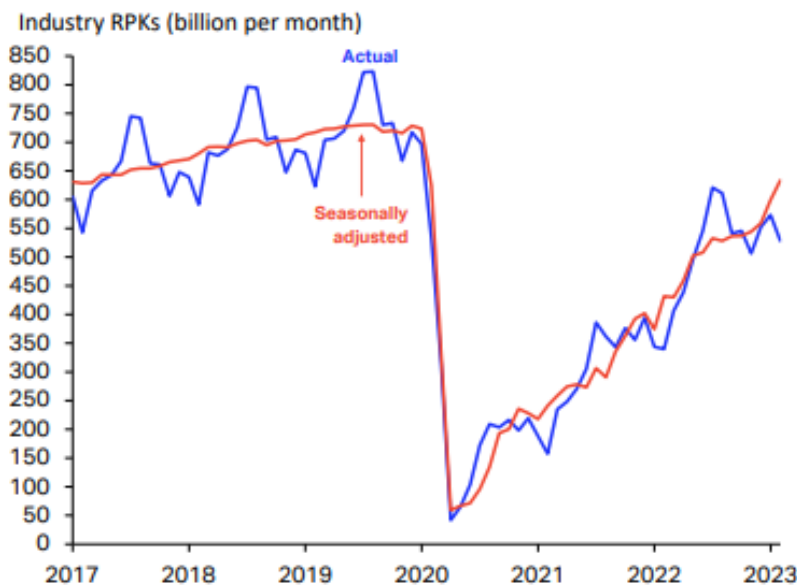
1. Background

Illicit trade exploits the legitimate supply chain network, so it is worth looking at the overview of the global flow of goods and passengers before delving into the details of illicit trade by commodity.

In the past three years, our societies have been seriously affected by the Covid-19 pandemic, and global trade has also felt its impact. However, after three years since the start of the pandemic, most countries have reopened their borders for travelers. According to IATA, the volume of air passengers has recovered and is approaching pre-pandemic levels, as shown in Figure 1.

However, it is important to note that the level of recovery varies by region. Figure 2 from IATA shows that the passenger volume in North America is very close to pre-Covid levels, while in the Asia Pacific region, the volume is still half of what it was in 2019.

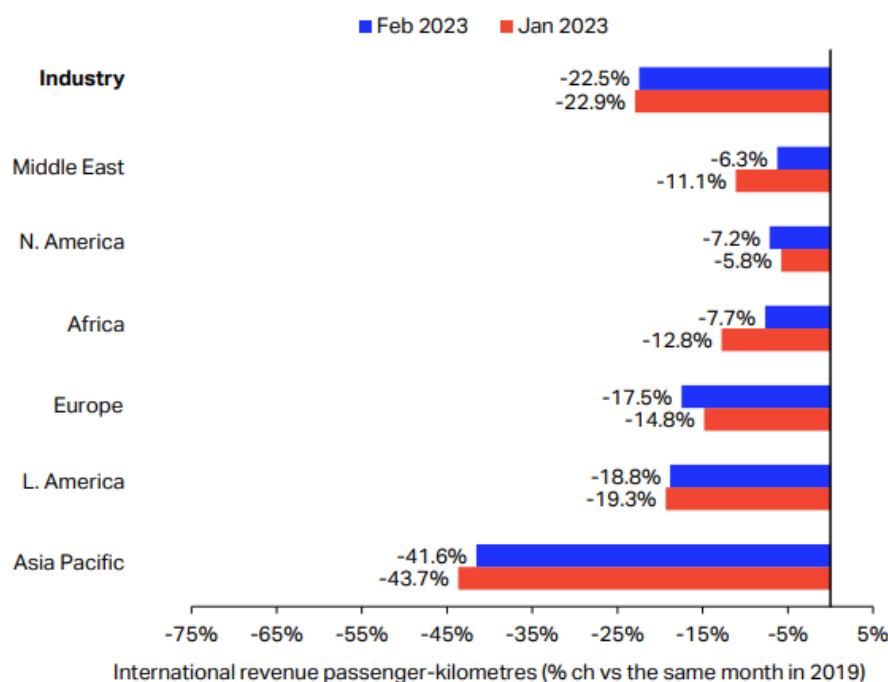
Figure 1: Global air passenger volumes (RPK: Revenue Passenger Kilometers)



©International Air Transport Association, 2019. Air Passenger Market Analysis, February 2023. All Rights Reserved. Available on IATA Economics page.

Maritime trade has also bounced back from the 3.8% decline in 2020 to a 3.2% increase in 2021, according to UNCTAD's "Review of Maritime Transport 2022". However, UNCTAD states that "risks and uncertainty remain high" and predicts that "global maritime trade will lose steam, with growth slowing to 1.4% in 2022" which is lower than the 3.3% average during the past three decades.

Figure 2: International RPK growth by airline region of registration, year-on-year (YoY) % change versus 2019



©International Air Transport Association, 2019. Air Cargo Market Analysis, February 2023. All Rights Reserved. Available on IATA Economics page.

2. Survey to the WCO Members

To obtain an overview and trends of illicit trade, the WCO Secretariat conducted a survey to collect seizure statistics from the WCO Member administrations. Thanks to the generous cooperation of the Members, the WCO has received responses from **46 Members**.

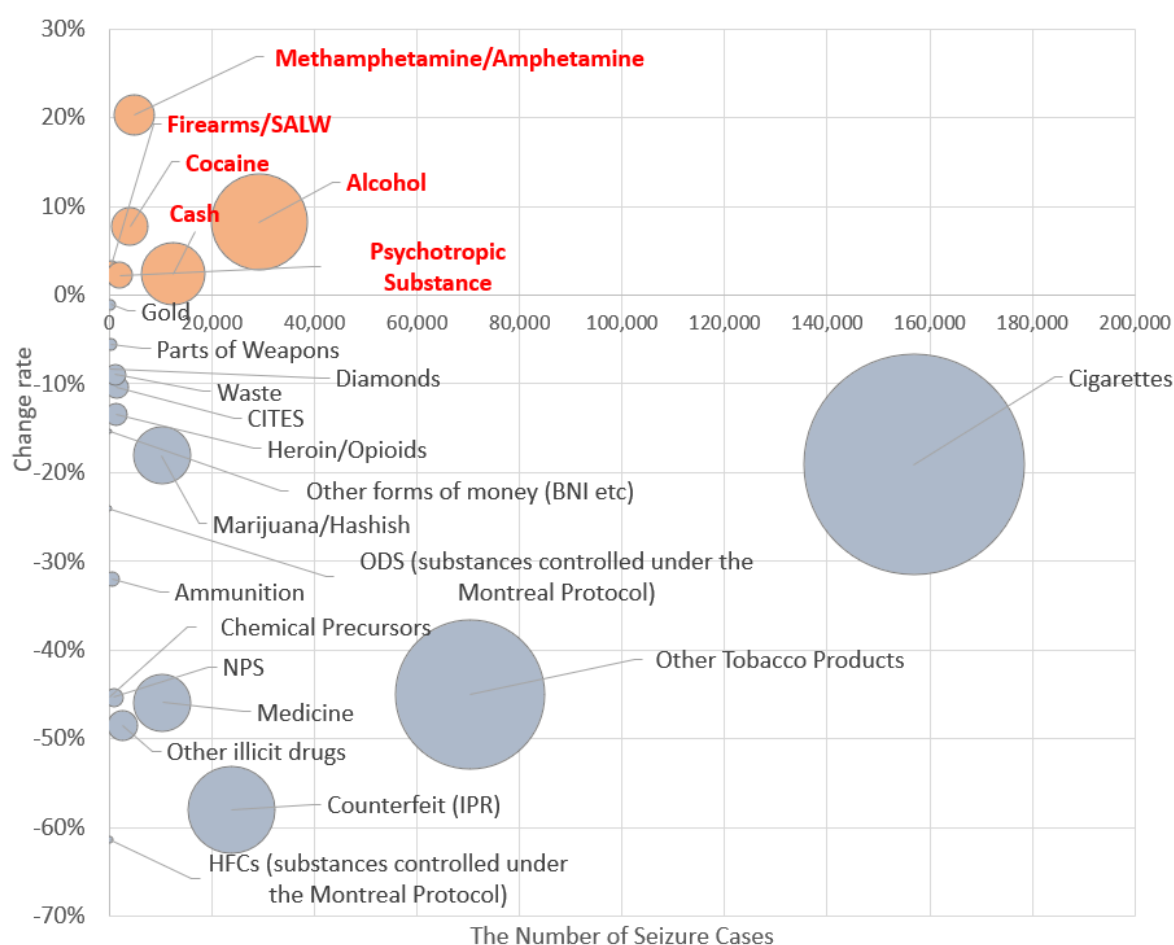
Figure 3 shows the magnitude of the number of seizure cases by commodity in 2022 and their change rate since 2021. The size of the bubbles and the horizontal axis represent the number of seizure cases, while the vertical axis shows the percentile change compared to the number of cases in 2019. Bubbles above the horizontal axis indicate an increase in the number of cases since 2019.

According to Figure 3, some commodities, such as alcohol, cash, cocaine, firearms/SALW, methamphetamine/amphetamine and psychotropic substances, have increased since 2021. Analyzing this data together with the data in ITR 2021, which described the change rate in the number of seizure cases between 2019 and 2021,

in can be observed that cocaine and gold have been consistently increasing since 2019.

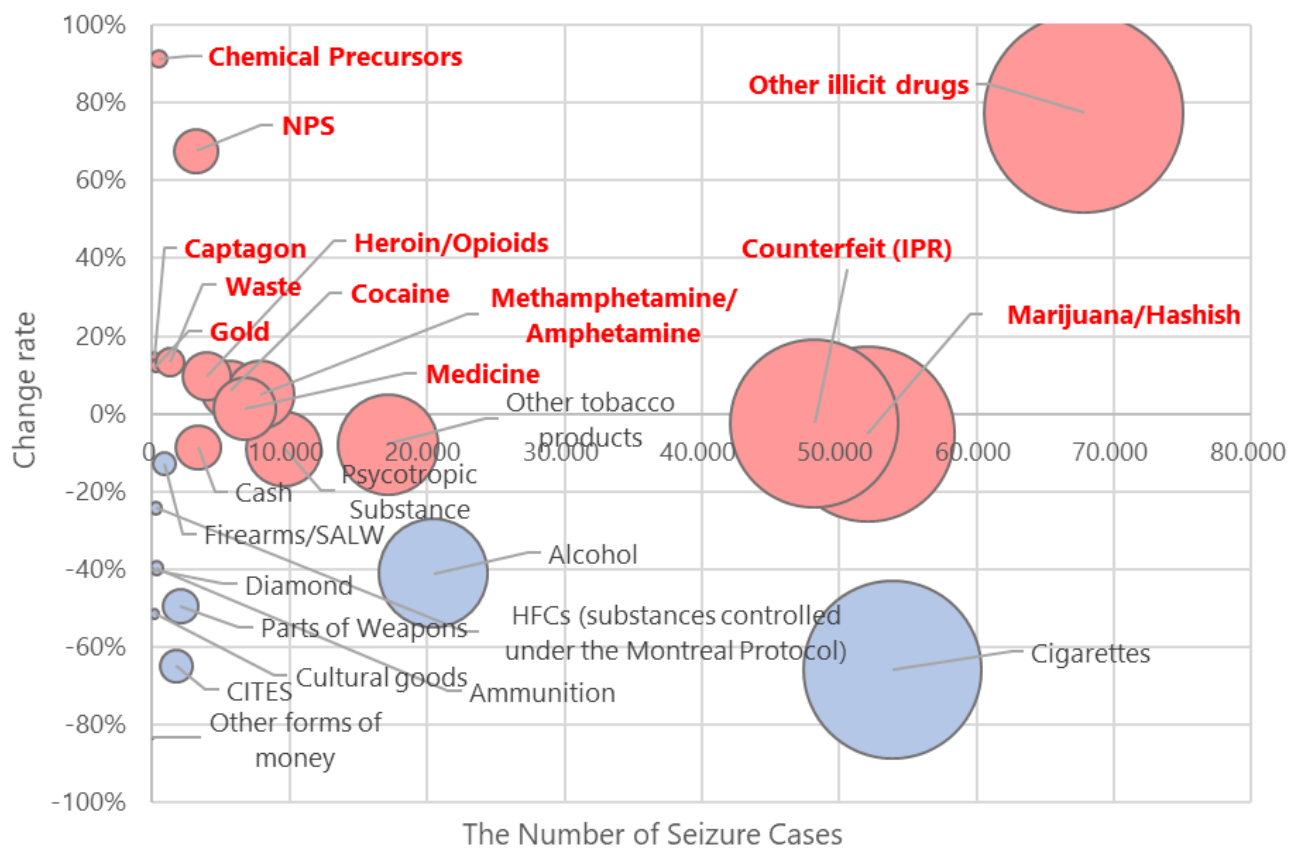
Another consistent trend is the decrease in the number of cigarette seizures since 2019, although the level of seizure numbers remains significantly high.

Figure 3: Number of Seizure Cases in 2022 and its Change Rate since 2021



Source: WCO Survey

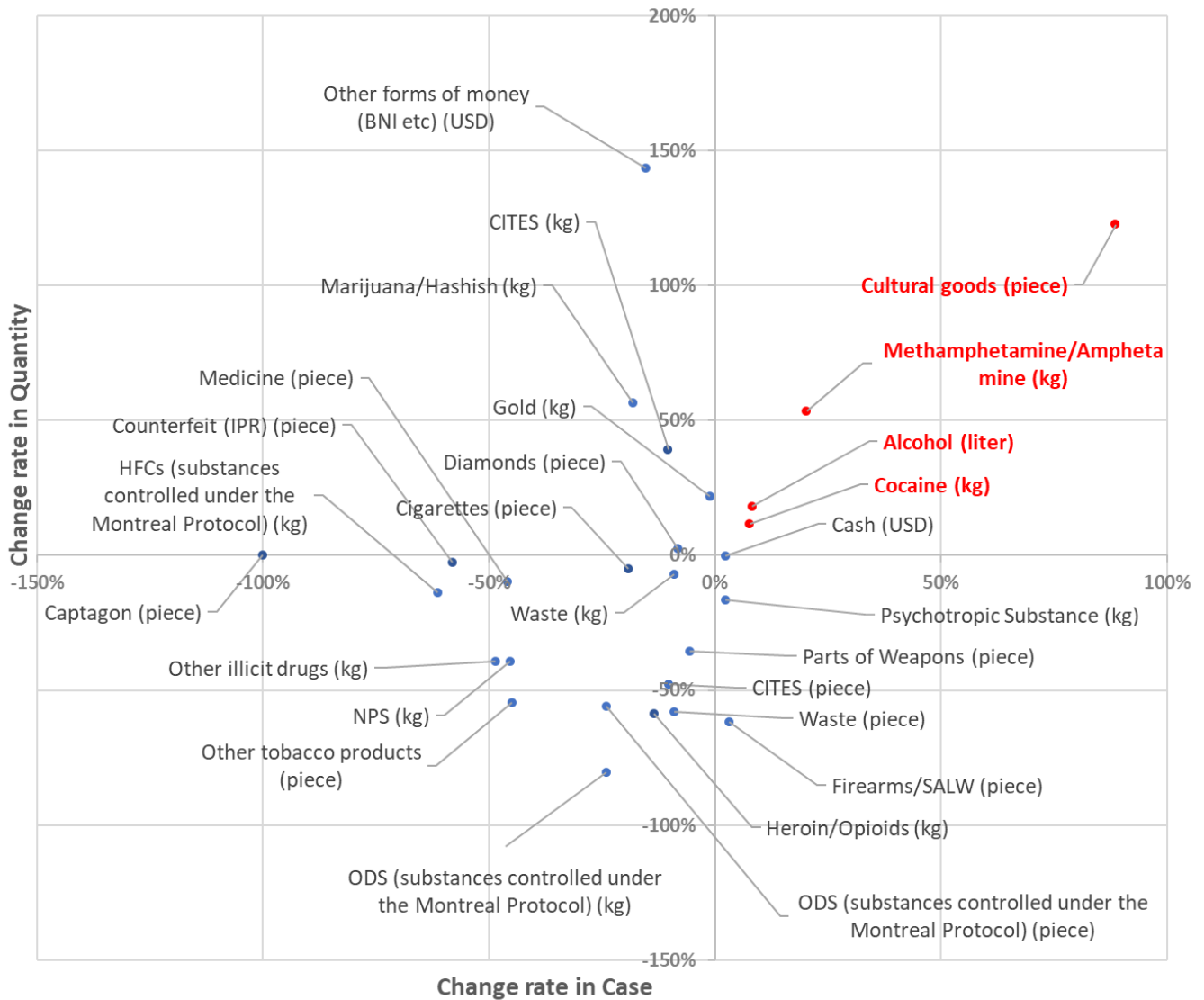
Figure 4: Number of Seizure Cases in 2021 and its Change Rate since 2019 (from ITR 2021)



Source: WCO Survey

The survey also collected data on the seized quantity, and Figure 5 illustrates each commodity along with the change rate of quantity and the change rate of the number of cases. Cultural goods, methamphetamine/amphetamine, alcohol, and cocaine have shown increases in both quantity and number. Other forms of money, marijuana/hashish, CITES, and gold have also experienced significant increases in quantity, while the number of seizure cases has either decreased or remained the same.

Figure 5: Change rate in Number VS Quantity from 2021 to 2022



Source: WCO Survey

3. Open Source

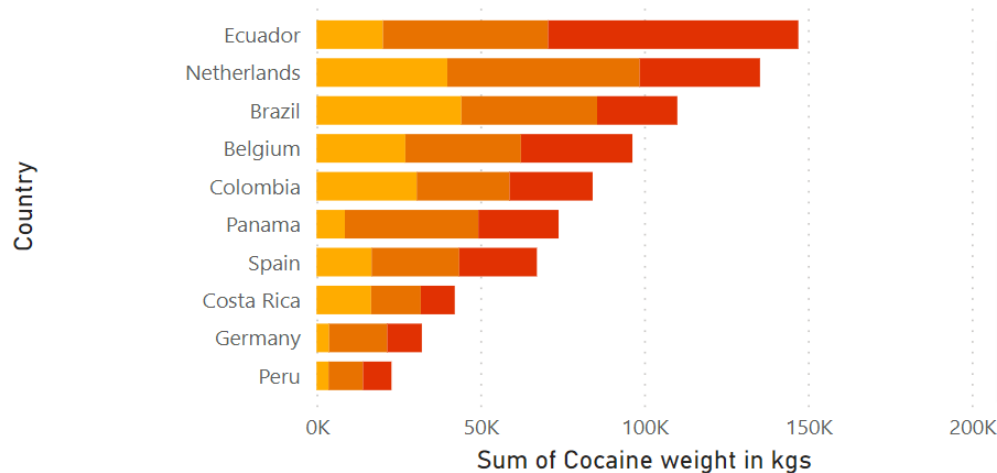
As described in the previous sections, cocaine is one of the most frequently seized commodities. This section focuses on cocaine seizures based on open source data, which is extracted from web articles. The original dataset is provided thanks to the cooperation of the UNODC/WCO Container Control Programme.

The dataset includes information on seizure cases, such as the country where the seizure occurred, the seized quantity, and the type of cargo where cocaine was hidden. Figure 6 shows the top 10 countries where cocaine was seized, along with the corresponding quantities. Most of the seizures occurred in Latin America (Ecuador, Brazil, Colombia, Panama, Costa Rica, Peru) and in Western Europe (the Netherlands, Belgium, Spain, Germany).

Figure 6: Quantity of Cocaine Seizure by Country

Sum of Cocaine weight in kgs by Country and Year

Year ● 2020 ● 2021 ● 2022



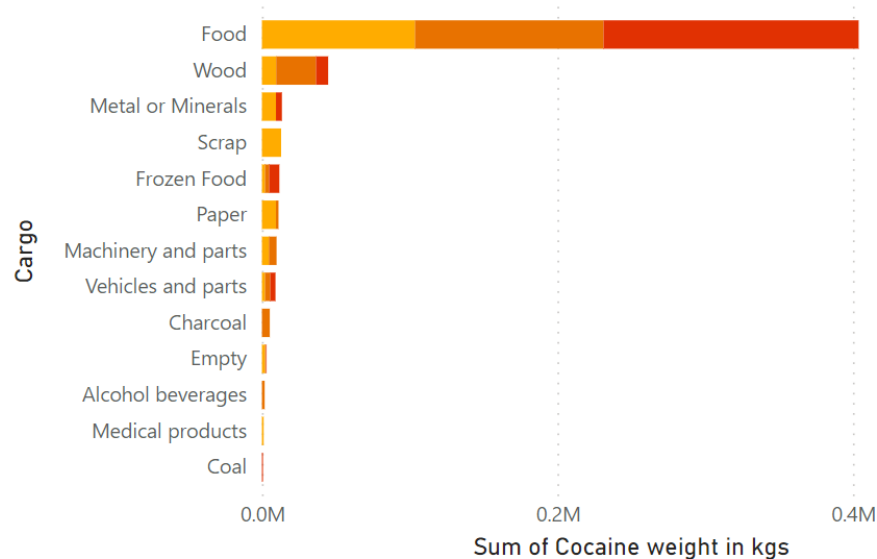
Source: UNDOC/WCO Container Control Programme

Figure 7 illustrates the various types of cargoes in which cocaine was concealed. It is observed that illicit trade exploits cargoes such as food, wood, metal or mineral, scrap, and frozen food. Figure 8 provides further details regarding the category of "food," revealing that fruit, particularly bananas, accounts for the majority of seizures, followed by coffee, cacao, and sugar.

Figure 7: Quantity of Cocaine Seizure by Country

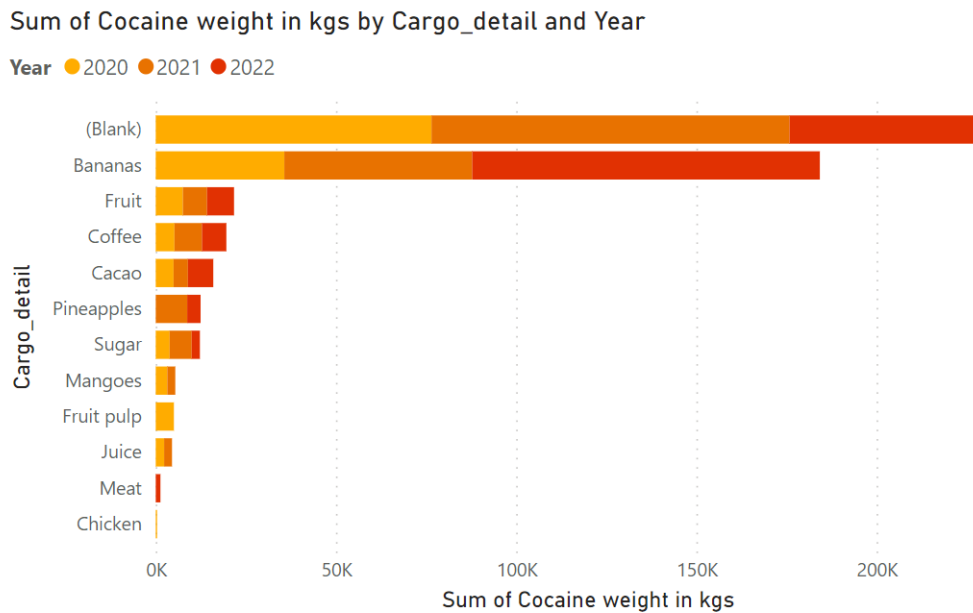
Sum of Cocaine weight in kgs by Cargo and Year

Year ● 2020 ● 2021 ● 2022



Source: UNDOC/WCO Container Control Programme

Figure 8: Cocaine Seizures by Cargo : Breakdown of “Food”

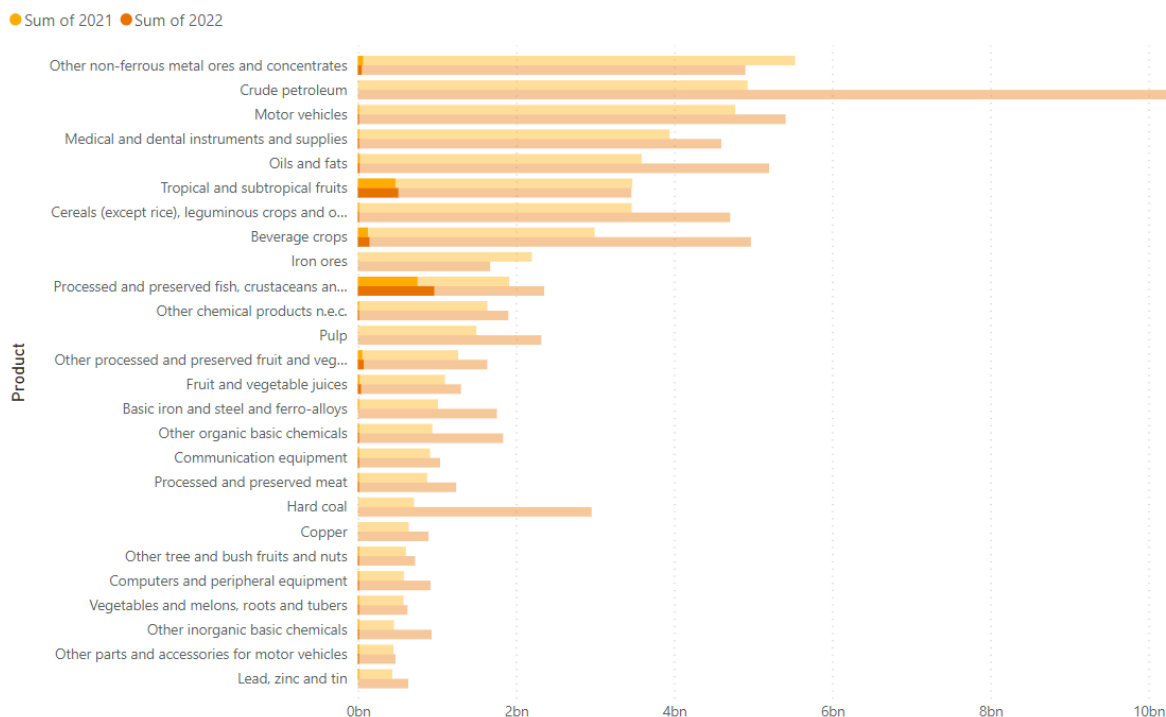


Source: UNDOC/WCO Container Control Programme

The type of cargo reflects its potential for concealing contraband while also aligning with the broader trade patterns. [Figure 9](#) depicts the import value of Belgium, Germany, the Netherlands, and Spain, which are the primary destination countries for cocaine originating from Latin American countries. The dark-colored sections in the charts represent imports from Ecuador, where the largest number of seizures have been reported.

The main products imported from Ecuador to Western European countries include processed and preserved fish, tropical and subtropical fruits, and beverage crops (including coffee). This demonstrates that criminal organizations rely on and exploit legitimate trade channels.

Figure 9: Quantity of Cocaine Seizure by Country



Source: Eurostat

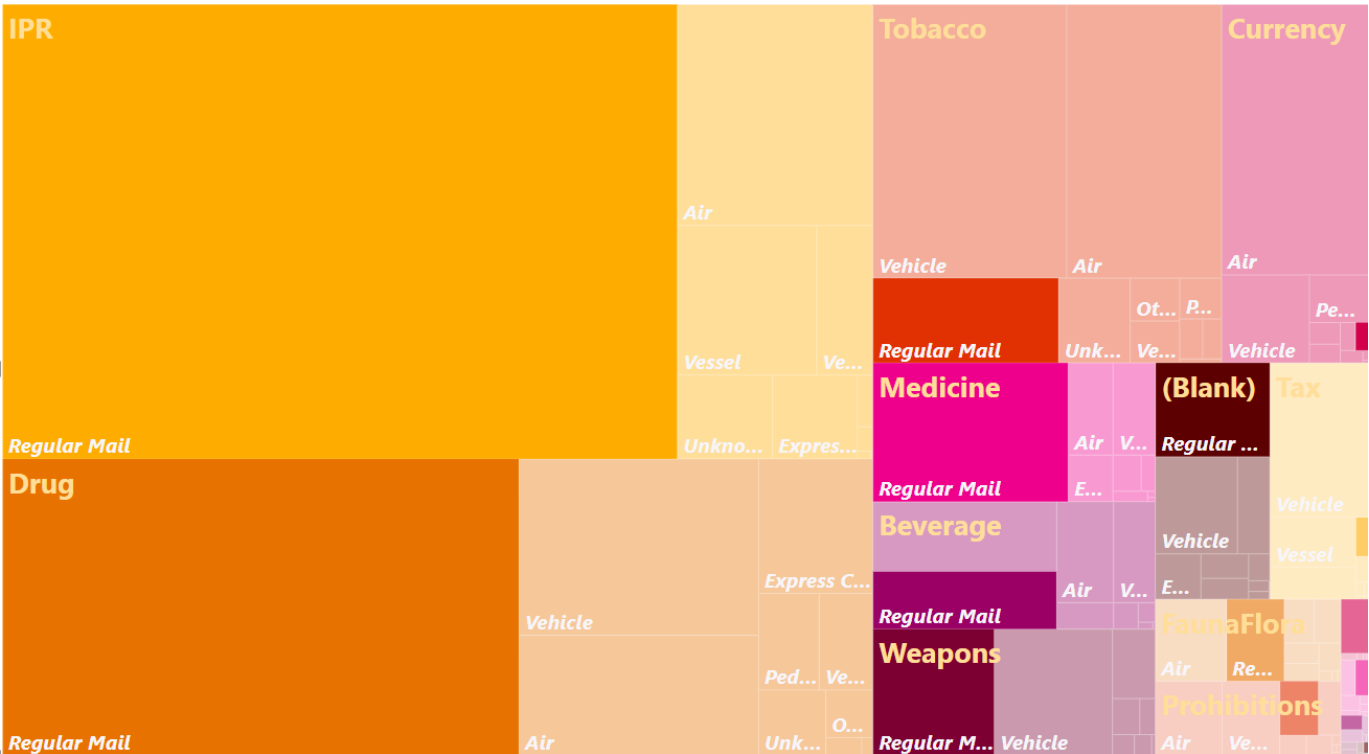
Note: Imports from Ecuador are highlighted in dark colours.

4. CEN

The increasing number of small parcels is a consistent challenge for Customs administrations and the data of CEN confirms this trend. Figure 10 shows that regular email accounts for a significant proportion of the number of seizure cases for most commodities, excluding tobacco and currency. Therefore, continued attention should be given to mail in order to enhance its control.

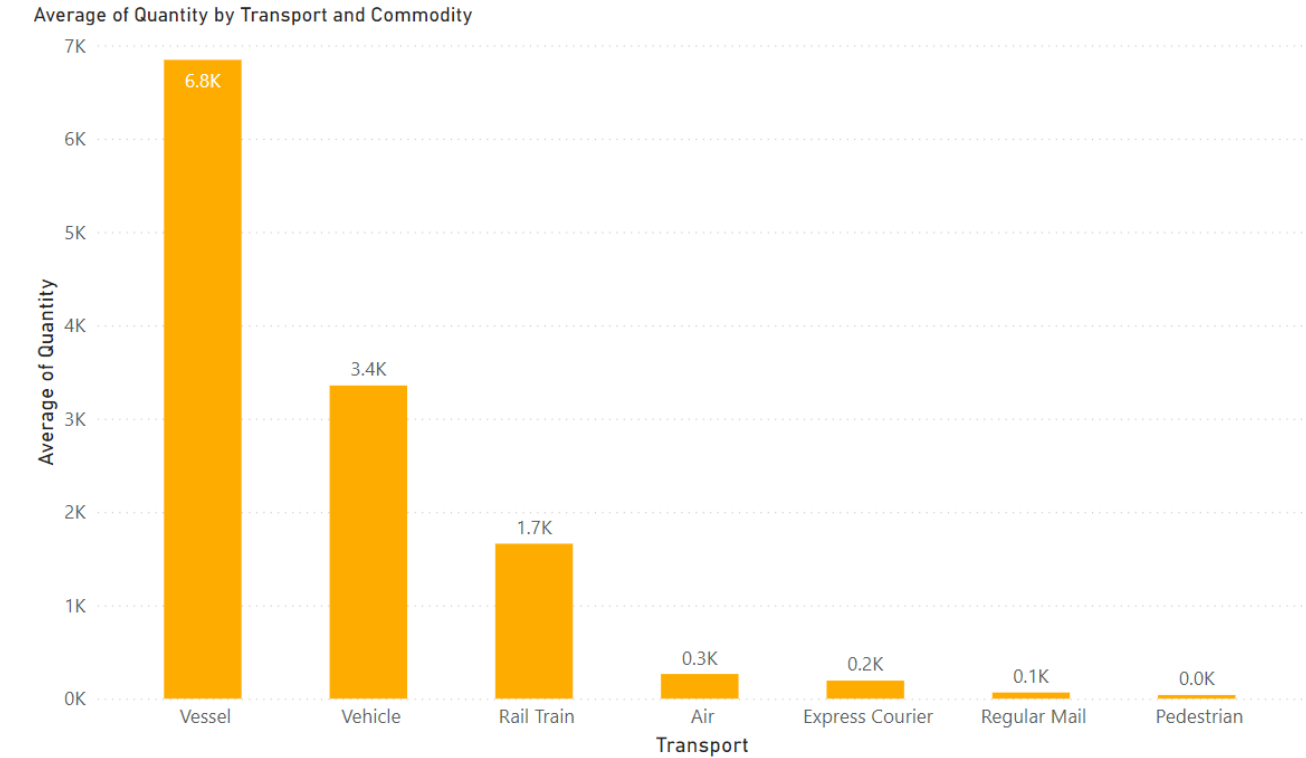
Although mail dominates the number of seizure cases, the individual quantities seized are relatively small. Figures 11 and 12 present the average quantity of Intellectual Property Rights (IPR) and drug seizures, respectively. There is a clear pattern indicating that the average quantities seized by air, express courier, pedestrian, and regular mail are small, while those seized by rail train, vehicle, and vessel are large. In the case of drugs, the difference is even more pronounced, with an average of nearly 600 kg seized per case.

Figure 10: Number of Seizure Cases by Commodity



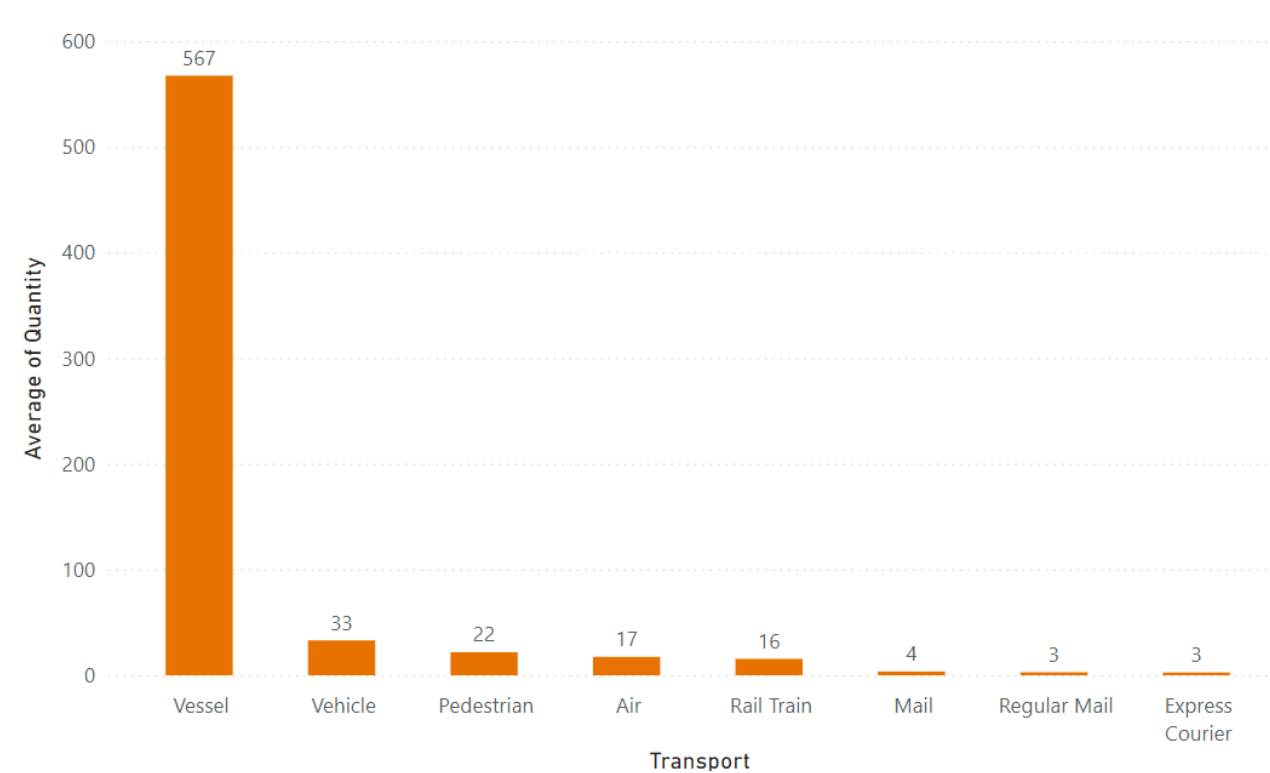
Source: CEN (Customs Enforcement Network)
Note: Seizures in Regular Mail are highlighted in dark colours.

Figure 11: Average Quantity (piece) of IPR seizures



Source: CEN (Customs Enforcement Network)

Figure 12: Average Quantity (kg) of Drug seizures

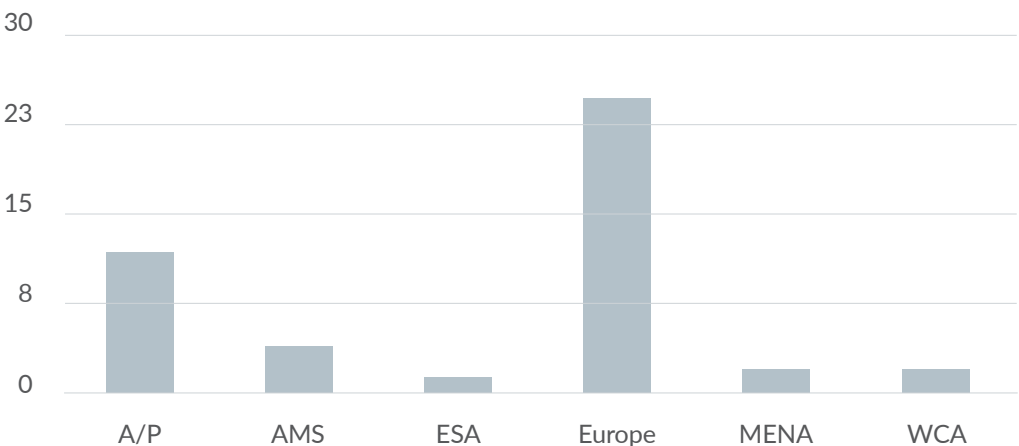


Source: CEN (Customs Enforcement Network)

ANNEX. Methodology of the WCO Member Survey

1. Members which Responded to the Survey

Argentina, Armenia, Australia, Azerbaijan, Bangladesh, Belarus, Belgium, Bosnia And Herzegovina, Brazil, Bulgaria, Bhutan, Côte d'Ivoire, Croatia, Moldova, Cyprus, Czech Republic, Ecuador, Fiji, Gabon, Germany, Greece, Guatemala, Hong Kong, China, Hungary, Iceland, Indonesia, Ireland, Italy, Japan, Lithuania, Macau, China, Montenegro, Morocco, New Zealand, North Macedonia, Norway, Poland, Slovakia, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Union of Myanmar (The Republic of the Union of), Palestine, Thailand.



2. Unit Conversion formula

Note on exchange rate:

The quantity of each currency is converted to USD based on the annual average exchange rate.

The average exchange rates are taken from the United States IRS (Internal Revenue Service), otherwise the rates are from UNCTAD or other available sources, such as DollarFX.org, exchangerates.org.uk, Investing.com, Statista, Mafaf.

Commodities	Unit after conversion	Unit before conversion
Methamphetamine/ Amphetamine	1 kg	40,000 units, pills, tablets
Other illicit drugs	1 kg	1 litre, 3000 piece/tablet
Chemical Precursors	1 kg	1 litre, 4000 tablets, 4000 piece
Counterfeit (IPR)	1 piece	1 unit, 1 item
Medicine	1 piece	0.25 gram, 1 tablet/pill/unit, 0.1 box/packages
Cigarette	1 kg	1000 pieces/units, 50 packet, 5 carton or 0.25 box
Other tobacco products	1 kg	1 litre, 1000 pieces
Alcohol	litre	2 bottles or units, 1kg
Parts of Weapons	1 piece	1 unit
Ammunition	1 piece	1 unit
Cash, Other forms of money (BNI etc)	USD	(As explained in Note)
Diamond	1 piece	1 unit
ODS (substances controlled under the Montreal Protocol)	1 kg	1 litre



Anti-Money Laundering and Counter-terrorism Financing

Customs administrations are the tip of the spear when it comes to defending nations against criminal organizations that smuggle illicit merchandise, narcotics, weapons and monies across international borders. There are myriad manners for nefarious actors to move their illicit currency and currency equivalents across international borders. This includes the smuggling of currency via commercial passengers; inside of cargo shipments; inside of conveyances such as planes, vehicles and boats; and via international mail and express service companies. Cash smuggling continues to be prevalent.

Due to their presence at international borders and points of entry, Customs administrations are uniquely placed to attack these criminal organizations where it hurts most: in their pocketbook.

As the recent efforts of the WCO AML-CTF Programme and specific Customs services around the globe has poignantly demonstrated, however, criminal organizations are increasingly converting their illicit cash into other forms of value such as gold and gemstones, and in turn, smuggling these high-value items across international borders.

The manners in which these criminal organizations disguise the gold, diamonds, gems and other precious metals is quite broad and often intricate.

Customs administrations must therefore be ever more vigilant in developing intelligence for the targeting of this activity. Criminal organizations also launder their illicit money through trade-based money laundering, perhaps the most complicated form of money laundering.

From a criminal's perspective, the most precious element of the criminal cycle is the repatriations phase...the end goal of almost all criminal schemes. This is referred to as the integration phase in the money laundering cycle. Customs is ideally placed to attack these organizations in this crucial point.

Due to their presence at international borders and points of entry, Customs administrations are uniquely placed to attack these criminal organizations where it hurts most: in their pocketbook.

As the primary law enforcement entity at international borders and points of entry, Customs can target, identify and seize the illicit profits generated by transnational criminal organizations and terrorist organizations. Cutting their lifeline for the perpetuation of their criminal and destructive activities hurts them more than the seizure of their narcotics and illicit merchandise. Identifying and seizing their illicit currency and currency equivalents prevents them from paying their organizational members; from purchasing new equipment and necessary merchandise or chemicals to perpetuate their illicit activity; and from paying bribes that corrupt economic systems and governments.

Customs vigilance in combatting money laundering is vital for the protection of the international trade and financial industries, as trade-based money launderers can drive legitimate traders out of the industry by undercutting prices of specific merchandise and illicit moneys entering the banking and financial sectors can compromise the integrity and economic soundness of financial institutions. The vigilance and dedication of Customs administrations in combatting money laundering activities in the Customs realm is therefore a vital component to national and regional security.

The following section will highlight the efforts of the WCO AML-CTF Programme and its primary capacity building efforts, Project TENTACLE and Project OCTAGON. It will also showcase some of the great work that is being conducted by specific WCO Member administrations in the global effort to identify and prevent money laundering at international borders.

Introduction

The laundering of money and movement of illicit money through the Customs realm is a high concern for the World Customs Organization (WCO).

The laundering of money and movement of illicit money through the Customs realm is a high concern for the World Customs Organization (WCO). The threat posed to regional security and to both the financial and international trade industry through the laundering of illicit money at international borders presents a broad challenge to law enforcement authorities. The illicit funds move in many different forms and methods at international borders and inland ports of entry. They vary from the smuggling of currency and currency equivalents such as traveler's checks and bearer-negotiable instruments, to gems and precious metals, to e-currency/virtual currency storage devices and to the conversion of illicit currency into commercial trade products, more commonly known as trade-based money laundering (TBML). Customs administrations are the most vital law enforcement component, writ large, when it comes to combatting money laundering and currency/currency equivalent smuggling activities at international borders. Due to Customs' unique positioning and oversight of international borders and ports of entry, they play the most important law enforcement role in identifying the movement of illicit funds at the international level, whether it be in the form of passenger movement of illicit funds, the movement of illicit funds via vehicles or vessels, or whether it be in the form of international trade.

The United Nations estimates that the amount of money that is laundered globally on an annual basis amounts to between 2 to 5% of global trade, the equivalent of between \$800 billion to \$2 trillion (US). The organized crime sets that generate these illicit monies is quite vast and includes narcotics trafficking, the smuggling of counterfeit merchandise and pharmaceuticals, weapons trafficking, human smuggling and trafficking, wildlife trafficking and the smuggling of cultural property/antiquities, among other. Many of these predicate crimes generate a reverse-currency-flow phenomenon, meaning that the illicit proceeds of these crime sets tend to flow in the opposite direction from the point-of-sale of the illicit items. For example, the global illicit narcotics industry is estimated to generate over \$300 billion (US) on an annual basis. With regard to the two biggest markets for illicit narcotics, the United States and the European Union, the illicit cash that is generated from the street sales of narcotics is often consolidated into larger notes and then smuggled back in the direction of where the narcotics originated. In the case of the cocaine trade, billions of dollars in currency are smuggled over the southwest border of the United States on an annual basis as the cocaine cartels repatriate their illicit moneys. The case is the same for the cocaine trade in Europe, with billions of dollars in illicit cash smuggled in reverse fashion from European countries back to the cocaine cartels in South America on an annual basis.

Customs administrations play a crucial role in targeting and intercepting these illicit monies due to their daily oversight over international passenger movements and the movement of international commerce. Customs does not only control the movement of illicit items and the movement of counterfeit merchandise, but also

the illicit money that used to perpetuate and expand such organized crime activities. Not all smuggled currency is related to organized crime activity, as in many cases the smuggling of currency involves tax evasion, as well. This reinforces Customs pivotal role as the primary sentinels for the movement of undeclared currency and currency equivalents. The seizure and forfeiture authority of Customs over smuggled currency makes it an important government authority for revenue generation.

The WCO created its Anti-money Laundering and Counterterrorism Financing (AML-CTF) Programme in 2018 and then implemented Project TENTACLE in 2019. Project TENTACLE is the WCO's primary AML-CTF capacity building and operational effort and provides crucial AML-CTF training to Customs Services, police services and financial intelligence units in the following regions: Latin America, Africa, Asia/Pacific, Eastern Europe and the Middle East/North Africa.

The first Project TENTACLE operational effort took place in the Asia-Pacific Region (Operation TENTACLE-Asia/Pacific I) in 2019 and resulted in the seizure of approximately \$5 million (US) in a combination of gold and currency. To date, the WCO AML-CTF Programme has provided eight continent-wide trainings through Project TENTACLE and conducted six global counter-bulk currency and gems/precious metals smuggling operations, resulting in the seizure of over \$40 million in a combination of currency, precious metals and gems/diamonds. The COVID Pandemic of 2020-2022 minimized the WCO and its Members' capacity to conduct operational law enforcement efforts.

Once the Pandemic came to an end circa March 2022, however, the WCO AML-CTF Programme implemented four (4) Project TENTACLE operations: Operation TENTACLE-Latin America, Operation TENTACLE-Africa, Operation TENTACLE-Mediterranea II and Operation TENTACLE-Middle East/North Africa. These operations proved successful and generated valuable intelligence regarding money laundering techniques and concealment methods. Customs authorities seized or detained over \$40 million-worth (US) of currency, gold, other precious metals and diamonds/gemstones during these operations. All of the TENTACLE operational efforts involved the participation of financial intelligence units (FIUs) and INTERPOL.

In 2022, the WCO AML-CTF Programme also introduced Project OCTAGON, a three-prong effort to combat money laundering and crime sets occurring in the Customs realm. OCTAGON's three lines-of efforts include:

1. The Hotzone Prioritization Forum (HZPF)
2. A gem certification training effort for high-risk Customs services
3. A mentorship and training effort for high-risk Customs services vis-à-vis international money laundering and predicate offenses

The HZPF was designed to identify the higher-risk international border areas from a sub-regional standpoint when it comes to money laundering and specific crime sets or bad actors operating in the sub-region. The HZPF entails an annual meeting of certain Customs services and WCO law enforcement and academic partners to identify sub-regional border areas that are of heightened concern and to assist the affected Customs services and partner agencies in better combatting these challeng-

es and bad actors. These areas are often located in remote border areas with limited government presence. These areas can frequently be located in harsh geographic areas that are not easily accessible by government authorities.

The WCO, in partnership with the Gemological Institute of America (GIA), has implemented a gem certification effort for Customs services that are at high risk of diamond and gem smuggling as either source countries or transit countries. The WCO currently has six (6) Customs officers enrolled in this important project: three (3) from the African continent, two (2) in Latin America and one (1) in the Asia/Pacific region. The goal of this effort is to develop inherent expertise for these high-risk Customs services who can then train other frontline officers of their Administration and to develop regional trainers in diamond and gem smuggling/money laundering in the regions of Latin America, Africa and Asia-Pacific.

1. General Observations of 2022

The WCO conducted four (4) Project TENTACLE operations in 2022. As mentioned in the previous section, the TENTACLE efforts led to the seizure or detention of over \$40 million (US). There was a large amount of currency seized and large quantities of gold seized. What the TENTACLE operations revealed in a general sense is that, post-COVID, many transnational criminal organizations are continuing to smuggle large amounts of illicit currency. The amounts are significant across the regions that the WCO focused on for its 2022 counter illicit smuggling operations: Latin America, the Mediterranean region, the Middle East/North African region and Africa. The total currency seizures in each region were quite significant in and of themselves. When comparing the Latin America operation versus the Africa operation, a notable difference was that the two principal currencies of seizure for Latin America were the U.S. dollar and the Euro, while the seizures in the African region included ten different currencies (i.e. seizures of currency of the equivalent of \$10,000 or more). These currencies included the U.S. dollar, the Euro, the British pound, the Yen, the Swiss franc and the Norwegian krone. What this revealed is that the spectrum of illicit currencies being used by criminal organizations in Africa is much broader than the preferred currencies being utilized by criminal organizations in the Latin America region. One currency seizure realized by the Italian authorities (the Guardia di Finanza and the Italian Dogana) in Operation TENTACLE-Mediterranea II was linked to a terrorism group.

Lastly, the gold seizures realized during Operation TENTACLE-Middle East/North Africa broke the record for overall seizures in TENTACLE operations, with over \$11 million (US) in gold seized during the operation. The majority of this illicit gold was seized by the India Directorate of Revenue Intelligence (DRI) and the Armenia Customs Service. Overall in 2022, Customs services seized more than \$18 million (US) in gold through the Project TENTACLE efforts. The vast amount of gold that was seized or detained indicated that the criminal organizations have a strong incli-

nation for converting their illicit proceeds into gold. This is perhaps also linked to an effort to hedge their holding of illicit proceeds during unstable economic times at the global level. The liquidity of gold and the ability to disguise gold is also a primary motivating factor for transnational criminal organizations (TCOs) to smuggle their illicit assets in this form.

The following sections will outline some of the results of the various Project TENTACLE operational efforts during 2022. The results of the CEN data entries for currency smuggling in 2022 will also be highlighted in the final section.

1.1 Project TENTACLE

Project TENTACLE is a WCO-led, U.S. Department of State - Bureau of International Narcotics and Law Enforcement Affairs (DoS INL) funded effort that aims to raise the awareness of money laundering activities in the Customs arena and to augment the enforcement capabilities of Customs, Financial Intelligence Units (FIUs) and Police Services. Project TENTACLE is a joint effort with the Egmont Group of FIUs and INTERPOL, focusing its efforts on the Asia, Latin America, Africa, Middle East and Eastern European regions.

Project TENTACLE, created in 2019, is the primary operational effort of the WCO AML/CTF Programme and targets counter-bulk cash smuggling and gems and precious metals smuggling. From 2019 to present, the WCO AML-CTF Programme has conducted eight continent-wide AML-CTF workshops, to include two (2) in Latin America, two (2) in Africa, three (3) in the Asia-Pacific region, and one (1) in the MENA region. Each region has distinct problem sets, challenges and criminal actors that present unique risks and mandate tailored interdiction and investigative responses. Thus, Project TENTACLE tailors law enforcement trainings and operational efforts that take into account the unique problem sets for all the different regions, while also placing emphasis on advancing money laundering and terrorism financing investigations after border seizures.

Project TENTACLE has provided money laundering and terrorism financing training to over 600 frontline officers, investigators and analysts since its inception in 2019. In addition to the eight (8) regional workshops and four (4) continent-wide operational efforts, Project TENTACLE has conducted two (2) TENTACLE-Mediterranea operations in conjunction with INTERPOL as part of Operation NEPTUNE III and IV. Operation TENTACLE-Mediterranea/Operation NEPTUNE targets the movement of terrorists and terrorists' affiliates, as well as the smuggling of illicit currency and currency equivalents between North Africa and southern Europe via ferry services.

To date, the six TENTACLE operational efforts have resulted in the seizure/detention of approximately \$40 million (US) in a combination of smuggled currency, gold and gemstones and the arrest of 74 money launderers/currency smugglers.

1.2 Operation TENTACLE-Latin America

From the 1st of March 2022 to the 15th of April 2022, the WCO AML-CTF Programme conducted Operation TENTACLE-Latin America. The operation was the first WCO-led AML-CTF operational initiative conducted in the Western Hemisphere since the launch of Project TENTACLE in 2019. It was the direct result of two (2) virtual WCO Operation TENTACLE-Latin America Workshops conducted in 2021 and in 2022. The workshops were attended by eighty-eight (88) representatives from Customs administrations, FIUs and police services from the region.

Operation TENTACLE-Latin America resulted in sixty-eight (68) combined currency and precious metals seizures and detentions totaling more than \$3.5 million (US). Customs services from nine (9) different Latin American countries participated in the operation, to include the Customs Services of Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Peru, Panama and Suriname. U.S. Homeland Security Investigations (HSI) and Customs and Border Protection (CBP), the Italian authorities (the Guardia di Finanza and the Italian Dogana) and Spain's Guardia Civil also participated in the operation. The Operation led to the detection or seizure of over \$1.3 million (US) in smuggled currency and over \$2 million (US) worth of smuggled gold, diamonds and gemstones. Notable seizures include the Brazil Customs seizures of diamonds, semi-precious metals and emeralds at an estimated value of over \$70,000 (US). The Costa Rica Customs, the Italy Customs/Italian Guardia di Finanza and Spain's Guardia Civil realized currency seizures totaling over \$115,000 (US), \$180,000 (US) and \$60,000 (US), respectively.

Courtesy: Brazil Customs



The Customs Administration of Chile realized sixteen (16) seizures during the operation, including the discovery of \$278,000 (US) in currency, 528 kilograms of silver, more than 100 pieces of platinum and gold jewelry and fifteen (15) diamonds with an estimated value of \$940,000 (US). Subsequent efforts led to

multiple multi-jurisdictional investigations. Collaboration with the Dominican Customs Administration, which served as the Operational Coordination Unit (OCU), and liaison between participating Latin American and European agencies, resulted in the initiation of six (6) international money laundering investigations.



Courtesy: Chile Customs

1.3 Operation TENTACLE-Africa

In early July 2022, the WCO concluded Operation TENTACLE-Africa, with combined seizures totaling more than \$13.9 million (US). This operation was the first WCO-led AML-CTF operational initiative conducted in the African region since the launch of Project TENTACLE. The pan-African operation involved the participation of Customs services, FIUs and Police Services in ten (10) different African countries, including the Customs Services of Angola, Cameroon, Congo, Democratic Republic of the Congo, Mauritius, Morocco, Nigeria, Senegal, Togo and Tunisia. The Customs Services of Belgium, India and Italy also participated, as well as Italy's Guardia di Finanza and Spain's Guardia Civil. Prior to the operational effort, the Project TENTACLE Team conducted capacity building workshops in preparation of the operation. The Operation TENTACLE-Africa Workshop took place from the 11th to the 14th of February 2022, in virtual format. The workshop was attended by fifty-one (51) representatives from the region. From the 11th to the 13th of April 2022, the Project TENTACLE Team held a Pre-Operational Workshop in Accra, Ghana, where forty (40) Customs, FIUs and Police Services participated.

The operation, which began on 1st of May 2022, led to the detection or seizure of over \$9.4 million (US) in smuggled currency and more than \$4.4 million (US) worth of smuggled gold. In addition to the illicit precious metals and currencies discovered,

Case study 1

CUSTOMS ADMINISTRATION OF THE DOMINICAN REPUBLIC

On the 14th of March 2022, the Flying Fox yacht, a luxury yacht priced at \$4 million (US) a week and owned by Russian Oligarch Dmitry Kamenshchik, entered into Dominican waters and anchored off the resort town of Casa de Campo.

On the following day, an individual on the yacht took a helicopter from the yacht to La Romana Airport. This passenger then attempted to take a private aircraft to Portugal with \$485,000 (US) in undeclared currency on his person.

The currency was seized by Dominican Customs, resulting in the largest seizure of Operation TENTACLE-Latin America. The cash seizure led to the sanctioning of the \$485 million luxury yacht by the U.S. Department of the Treasury Office of Foreign Asset Control (OFAC), as well as to a joint money laundering investigation involving law enforcement agencies in three (3) countries.

Courtesy: Dominican Customs



Case study 2

CUSTOMS ADMINISTRATION OF PERU

The Customs Administration of Peru (SUNAT) seized two Dore gold bars valued at over \$1.2 million (US), making it the largest gold seizure of Operation TENTACLE-Latin America.

On the 18th of May 2022, the Massive Actions Section of the Peru National Department of Customs Control (INCA) in coordination with Public Ministry following the Peruvian Judiciary's order, carried out a judicial seizure. The operation was headed by the Third Transitory Provincial Public Prosecutor's Office for Asset Forfeiture in the TALMA Temporary Warehouse. The operation resulted in the seizure of a Dore gold bar, weighing 11.04 kilograms and with an estimated value of \$644,899 (US), from a gold export company who could not prove the legal origin of the gold bar.

On the 1st of June 2022, the Peru Customs and Taxes Administration (SUNAT) seized another Dore gold bar, weighing 12.36 kilograms and with an estimated value of \$653,931 (US), from a gold export company. Similarly, this gold exporter could not prove the legal origin for the gold. It should be noted that within the framework of

the powers provided by the Legislative Decree No. 1107, SUNAT is responsible for the control and inspection of mining products which enter and leave the Peru Customs territory. This seizure event led to a TBML investigation with regards to illegal mining of gold.



Courtesy: Peru Customs (SUNAT)



Case study 3

CUSTOMS ADMINISTRATION OF TUNISIA

On the 31st of March 2022, Tunisia Customs seized 15 kilograms of gold and \$30,000 (US) in transit at Tunis International Airport from a Libyan traveler. The traveler, whose destination was Türkiye, had hidden the gold and cash in his vest. The case was forwarded to the prosecutor's office for further investigation.



Courtesy: Tunisian Customs

1.3 Operation TENTACLE-Africa

In early July 2022, the WCO concluded Operation TENTACLE-Africa, with combined seizures totaling more than \$13.9 million (US). This operation was the first WCO-led AML-CTF operational initiative conducted in the African region since the launch of Project TENTACLE. The pan-African operation involved the participation of Customs services, FIUs and Police Services in ten (10) different African countries, including the Customs Services of Angola, Cameroon, Congo, Democratic Republic of the Congo, Mauritius, Morocco, Nigeria, Senegal, Togo and Tunisia. The Customs Services of Belgium, India and Italy also participated, as well as Italy's Guardia di Finanza and Spain's Guardia Civil. Prior to the operational effort, the Project TENTACLE Team conducted capacity building workshops in preparation of the operation. The Operation TENTACLE-Africa Workshop took place from the 11th to the 14th of February 2022, in virtual format. The workshop was attended by fifty-one (51) representatives from the region. From the 11th to the 13th of April 2022, the Project TENTACLE Team held a Pre-Operational Workshop in Accra, Ghana, where forty (40) Customs, FIUs and Police Services participated.

The operation, which began on 1st of May 2022, led to the detection or seizure of over \$9.4 million (US) in smuggled currency and more than \$4.4 million (US) worth of smuggled gold. In addition to the illicit precious metals and currencies discovered, Customs authorities also seized a vast variety of illegal goods, to include drugs (cocaine, heroin and cannabis), military equipment (ammunitions, drones and ballistic vests), endangered wildlife (ivory, tortoises and Nigerian parrots) and more than 32,000 litres of smuggled petrol.

The Customs Administration of Morocco realized twenty (20) seizures during the TENTACLE-Africa operational effort. These events at the Tangier Med seaport and the airports of Casablanca and Fez, led to the seizures of luxury watches and clothes as well as a cash seizure totaling more than \$300,000 (US). The Italian Customs Service, in cooperation with the Guardia di Finanza, reported a total of 136 cash seizures during the operation. The currency seizures resulted in a total of 1,936,809 EUR (approximately \$2,140,620 USD) and 64,100 CHF (approximately \$71,838 USD).

1.4 Operation TENTACLE-Middle East and North Africa (MENA)

In early January 2023, the WCO successfully concluded Operation TENTACLE-Middle East and North Africa (MENA) with combined currency, gold and precious metals seizures totaling approximately \$15 million (US). This Operation was the first WCO-led operational initiative conducted in the MENA region since the launch of Project TENTACLE. The Customs Administration of Morocco, Tunisia, Armenia, India, and Italy participated in this operation. Italy's Guardia di Finanza also participated in the operation. In September 2022, the WCO conducted the Operation TENTACLE-MENA Workshop on AML-CTF in Amman, Jordan. This classroom training was the precursor for the operational effort, which began on the 14th of November 2022. Operation TENTACLE-MENA led to the detection or seizure of over \$3.5 million (US) in smuggled currency and approximately \$11 million (US) worth of

Case study 4

CUSTOMS ADMINISTRATION OF CAMEROON

On the 22nd of May 2022, the Cameroon Customs seized 16 gold bars valued at approximately \$960,000 (US) at Douala International Airport from a French national traveling from Addis-Ababa. Upon inspection of the traveler's luggage, Cameroon Customs discovered the gold bars hidden inside cement bags. The individual had no documents for the import or export of the gold bars. The individual was arrested and is currently awaiting trial for gold smuggling.

Courtesy: Cameroon Customs



Case study 5

SPAIN'S GUARDIA CIVIL

On the 23rd of May 2022, the Guardia Civil of Spain intercepted a Polish male traveler at Palma de Mallorca Airport. The suspect was travelling from Mallorca, Spain to Poznam, Poland in company of three members of his family. On examination, the Guardia Civil discovered 79 gold coins with an estimated value of 122,550 EUR (\$119,345 USD). In addition to these gold coins, the individual was in possession of a mix of currencies amounting to a total of 207,253 EUR (\$201,670 USD).

Courtesy: Guardia Civil Spain



smuggled gold. Gold seizures included gold bars, gold in paste form and gold coins. Other seizures included rubies and emeralds with an estimated value of \$96,274 (US) and silver jewelry with an estimated value of \$12,149 (US).

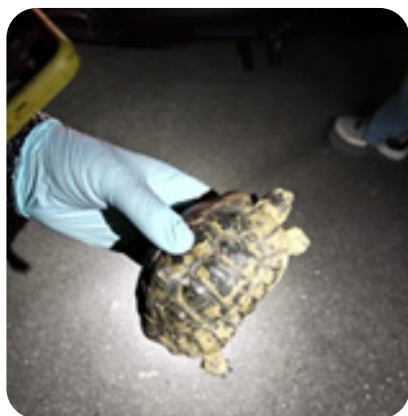
The India Directorate of Revenue Intelligence (DRI) realized the most gold seizures during Operation TENTACLE-MENA, with a total amount of seized gold of 114 kilograms. With 30 total seizures reported, India's DRI seized approximately \$7 million (US) in a combination of currency and gold, and arrested 47 individuals. The Customs Administration of Armenia also seized approximately 71.4 kilograms of gold with an estimated value of \$4,429,744 USD and 100,000,000 Russian rubles (\$1,441,000 USD).



Tunisia Customs seized \$304,423 (US) of gold and precious metals during the operation. These seizures were conducted mainly in airports and were mostly bulk cash seizures, with the exception of two silver seizures of 17.4 kilograms with an estimated value of \$12,149 (US). Morocco Customs reported 13 seizures, to include a combination of drugs, medical goods and precious metals as well as U.S. dollar and euro currency seizures at an estimated total value at \$350,958 USD. Italian Customs, in cooperation with the Guardia di Finanza, reported a total of 91 currency interceptions during the operation. These discoveries of undeclared currencies resulted in a total of 1,601,849 EUR (estimated value: \$1,735,444 USD).

1.5 Operation TENTACLE-Mediterranea/ Neptune IV

During the summer of 2022, the WCO conducted Operation TENTACLE-Mediterranea II, in conjunction with INTERPOL Operation NEPTUNE IV. Operation TENTACLE-Mediterranea II/Operation NEPTUNE IV involved the targeting of terrorists and terrorist affiliates traveling between southern Europe (Italy, Spain, Cyprus and France) and North Africa (Tunisia, Morocco and Algeria) as well as the smuggling of illicit monies, via ferry services and planes. The effort resulted in seizures of multiple kilograms of cocaine, cannabis and undeclared cigarettes, ten (10) small arms/ shot-guns, a stolen artefact dating back to Roman times, as well as multiple seizures of living wildlife species (tortoises), and the seizure/detention of 241,279 EUR in cash.



During Operation NEPTUNE IV, more than 25 positive hits relative to INTERPOL and national police criminal databases on terrorism/terrorist-affiliation were registered during the operation, as well as more than 20 terrorism-related hits from EUROPOL.

1.6 Project OCTAGON

Hot Zone Prioritization Forum 2022

The WCO hosted the first Hot Zone Prioritization Forum (HZPF) at the WCO Headquarters in Brussels, Belgium from the 17th to the 20th of October 2022. Twenty-six (26) Customs services participated in the inaugural Forum.



The HZPF is a global law enforcement effort to combat transnational organized crime (TOC) and terrorism at a sub-regional level. Initiated in 2022 by the World Customs Organization (WCO), and conducted in collaboration with George Mason University (GMU) and the Egmont Group of Financial Intelligence Units (Egmont Group), the Hot Zone Prioritization Forum seeks to establish a framework for the timely analysis, evaluation, and discussion of transnational criminal activity and international terrorism activity, with a goal of identifying specific sub-regional “hot zones” where these illicit activities are at highest risk of occurrence and consequence. The three (3) areas of focus are Africa, Latin America, and Asia.

Findings from the 2022 HZPF include the following:

- The dominant concern across all regions is drugs trafficking. Drugs trafficking was also listed as the crime that generates the largest amount of illicit funds, although counterfeit goods were mentioned in South America, while corruption was also mentioned within South East Asia.
- When discussing the current strategies being used to combat organized crime groups, many countries referenced their cross-agency work as a pivotal element of their strategy. Collaboration with national police forces and FIUs, as well as INTERPOL, was most frequently referred to.
- Approximately 86% (18 out of 21) of Members who completed a Hot Zone survey noted that illicit financial flows and money laundering adversely affected them. Some participants noted the rise in Trade-based Money Laundering (TBML), while others also referenced a rise in general money laundering convictions.
- Other participants brought attention to specific concerns, such as real estate investment as a method of laundering money in Western Europe and West Africa.
- While most regions do not specify points of entry due to their abundance of land borders, several regions containing islands specifically mentioned international airports as the major locations of concern. That being said, island regions that are accessible by ferry (rather than others that rely on air travel) noted that coastal ports of entry were a focus for criminal elements smuggling illicit goods.

Case study 6

CUSTOMS ADMINISTRATION OF ARMENIA

The Customs Administration of Armenia has identified a new trend in 2022 with regards to gold smuggling. Whereas in the past smugglers would primarily attempt to illegally import jewelry and diamonds from the United Arab Emirates and Türkiye to Armenia, individuals and organizations are now smuggling gold bars from Russia to Armenia. These gold bars are then melted down in Armenia with the assistance of Yerevan-based jewelers and converted into coarse gold chains in an effort to disguise its value. These gold chains, which weigh two (2) kilograms on average, are then usually exported from Armenia to Türkiye or the United Arab Emirates for sale and generation of hard currency. Because these chains are made of fine gold and lack a hallmark, they are not considered to be gold necklaces, and cases of their illegal export are considered cases of smuggling as a way to conceal their origin as gold bars.

This could be due to the sanctions imposed on Russia, or because Armenia is a Member of the Eurasian Economic Union (EAEU) which facilitates the movement of gold into the country. According to the EAEU Customs Code, passengers departing and arriving directly from one EAEU Member state to another are not subject to Customs controls if there are no reasonable grounds for inspection. In addition, according to Armenian legislation, individuals can import gold bars weighing up to 10 kilograms from EAEU Member states in to the country as products for personal use. Armenian Customs has identified the Russian-Armenian-Türkiye route as the biggest threat they are facing with regards to bulk cash and gold smuggling.

During TENTACLE MENA Operation, the Anti-Smuggling Department of the State Revenue Committee of the Republic of Armenia realized six (6) seizures of gold chains at Zvartnots Airport, all with Türkiye as the destination. The individuals were 30-year-old males, traveling alone and carrying the chains in bags. Armenian Customs officers became suspicious of these individuals as they were attempting to pass security in a hurry with heavy bags on their person.

Courtesy: Armenian Customs



On the 23rd of November 2022, the Anti-Smuggling Department of the State Revenue Committee of the Republic of Armenia seized three (3) gold bars weighing 36 kilograms, as well as 100,000,000 Russian rubles (\$1,650,000 USD) from a Russian

male traveler at Zvartnots Airport, Yerevan. The individual was flying to Yerevan from Vnukovo International Airport, Moscow and was subjected to a secondary examination. On examination, Armenia Customs discovered that the individual had cash and gold bars hidden inside his carryon luggage. This case is currently being investigated for tax evasion.

On the 24th of November 2022, Armenian Customs seized 12 kilograms of gold bars. The passenger who was traveling alone from Vnukovo International Airport in Moscow to Zvartnots Airport to Yerevan. On examination, the Armenian national had the gold bars hidden inside a handbag.

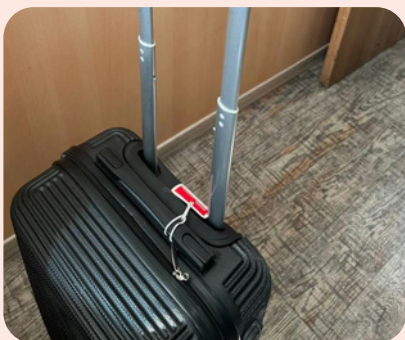


Courtesy: Armenian Customs



Courtesy: Armenian Customs

Since August 2022, Armenian Customs has realized 30 cases of seized gold, gems and cash. Four (4) of these cases involved the smuggling of cash, 14 cases involved the smuggling of jewelry and gold-based products, and 12 cases involved the smuggling of gold and silver jewelry and gold bars. In total, about \$120,000 (US) and 104 million Russian rubles (approximately \$1.7 million USD) in cash have been seized, as well as 23.3 kilograms of gold chains and a disguised 417-gram luggage handle made of gold.



Courtesy: Armenian Customs

Case study 7

CUSTOMS ADMINISTRATION OF MOROCCO

On the 15th of November 2022, the Morocco Customs seized a 2.44 carat ruby at Casablanca International Airport from a passenger flying inbound from Thailand. During the operation, Moroccan Customs also intercepted emeralds coming from Bahrain, India, Spain and France with a total estimated value of \$93,273 USD.

Courtesy: Moroccan Customs



On the 18th of December 2022, the Morocco Customs seized 96,200 EUR in undeclared currency from a vehicle on a vessel coming from Spain.

Courtesy: Moroccan Customs



On the 2nd of December 2022, the Morocco Customs seized 150 pieces of gold coins at the seaport of Tangier coming in from France. It was reported that the gold coins were to be melted down to make gold jewelry.

Courtesy: Moroccan Customs



- Of the Customs agencies who provided data on armed groups, 43% (9 out of 21) acknowledged armed groups operated within their borders or across their wider region. The interests of these armed groups ranged from drug, currency and weapons trafficking to illegal precious metal mining.
- Participants in Southeast Asia and Central & Southeast Africa mentioned terrorist groups as a heightened concern, and at least one participant in Southeast Africa believes the activity of these terrorist groups could involve the smuggling of goods as a method of fundraising.
- Regions in South East Asia and the Middle East and Western Asia also referred to the presence of terrorist organizations. The regions that mentioned the presence of armed groups also provided further information on the negative impact of these groups, such as economic disruption and damage as well as fears for personal safety by Customs officials working in areas where armed groups operate. These armed groups ranged from drug cartels to terrorist organizations.

Information-sharing during the Hot Zone Prioritization Forum also resulted in a liquid currency alert being recommended due to the emergence of a new methodology connected to gold smuggling. This will be shared with WCO Members in the near future.

Mentorship

The mentorship program for frontline Customs officers in developing countries offers the deployment of up to two (2) WCO AML-CTF experts to deploy to designated Customs administrations to assist in the targeting of currency smuggling and trade-based money laundering. It also provides funding to generate tailored, sub-regional trainings in transborder crime and money laundering for Customs services, police services and FIUs at the sub-regional level. It will also deliver sub-regional operational training in specific pockets around the globe.

This effort was initiated for a Customs service in the Mediterranean region in May 2023 and for an African Customs service in June 2023.

Gem Certification Training

The gem certification program will train six (6) Customs officers from designated high-risk countries/regions for illicit diamond and gem sourcing and transport. The training effort will be conducted in collaboration with the Gemological Institute of America (GIA), a recognized global authority on diamonds, gemstones, and pearls. These trained officers will, in turn, train frontline officers within their countries and regions to build economies-of-scale in the global effort to combat gemstones, diamond and precious metals smuggling and the laundering of illicit proceeds through the same.

Through this pilot project, the WCO AML-CTF Programme will implement an effort to create in-house expertise for specific Customs services to better identify high-value diamonds and gemstones that are being smuggled in their countries and larger regions, as well as those being utilized for the laundering of illicit proceeds.

2. General trends in Currency Smuggling based on CEN Data

Figure 1: Currency seizures/detentions, 2021-2022

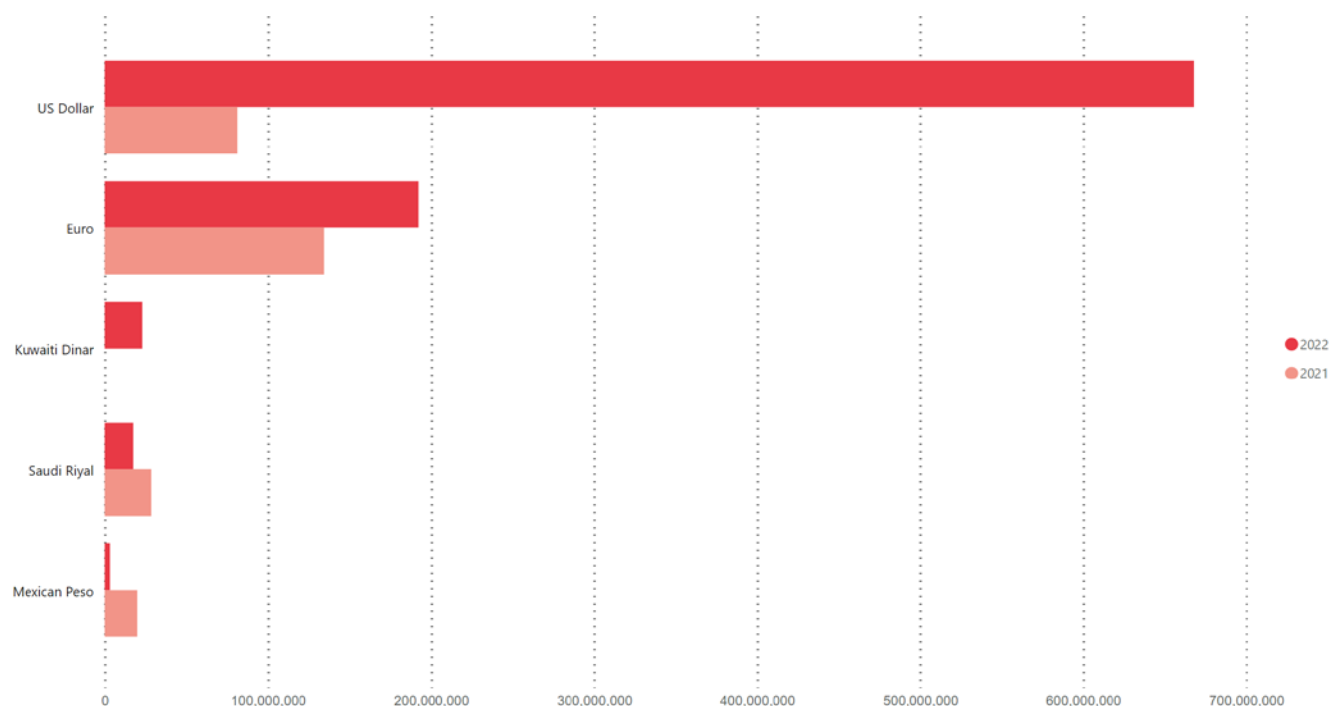
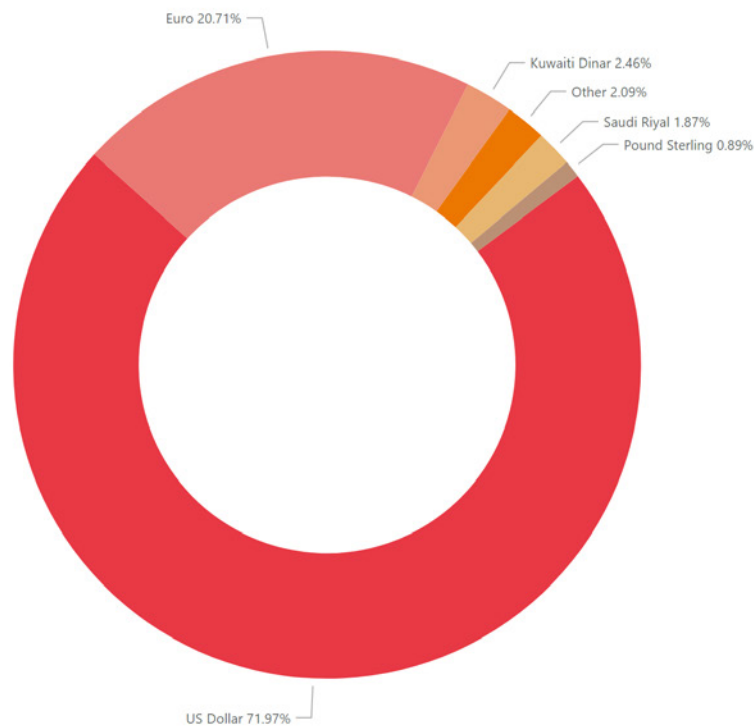


Figure 2: Percentage of currency seized by currency type, 2022

The following section contains data obtained from the CEN system.

Figure 2 separates all reported cases of currency seizures in 2022 by the type of currency which was seized by Customs officers.

In 2022, the US Dollar (USD) was the primary currency seized, resulting in a significant increase in USD seized compared to 2021 when the Euro (EUR) was the most seized currency based on CEN data. The Danish Krone, Cedi (Ghana), Belarussian Ruble, Tunisian Dinar, Syrian Pound, Guinean Franc, Guarani (Paraguay), Rand, Convertible Marks (Bosnia Herzegovina), Liberian Dollar, Dominican Peso were among some of the currencies seized in 2022 for which there were no reported seizures of in 2021.

Total Seizures in CEN in 2022 in EUR: € 875,592,417.26

Total Seizures in CEN in 2022 in USD: \$ 933,047,667.24

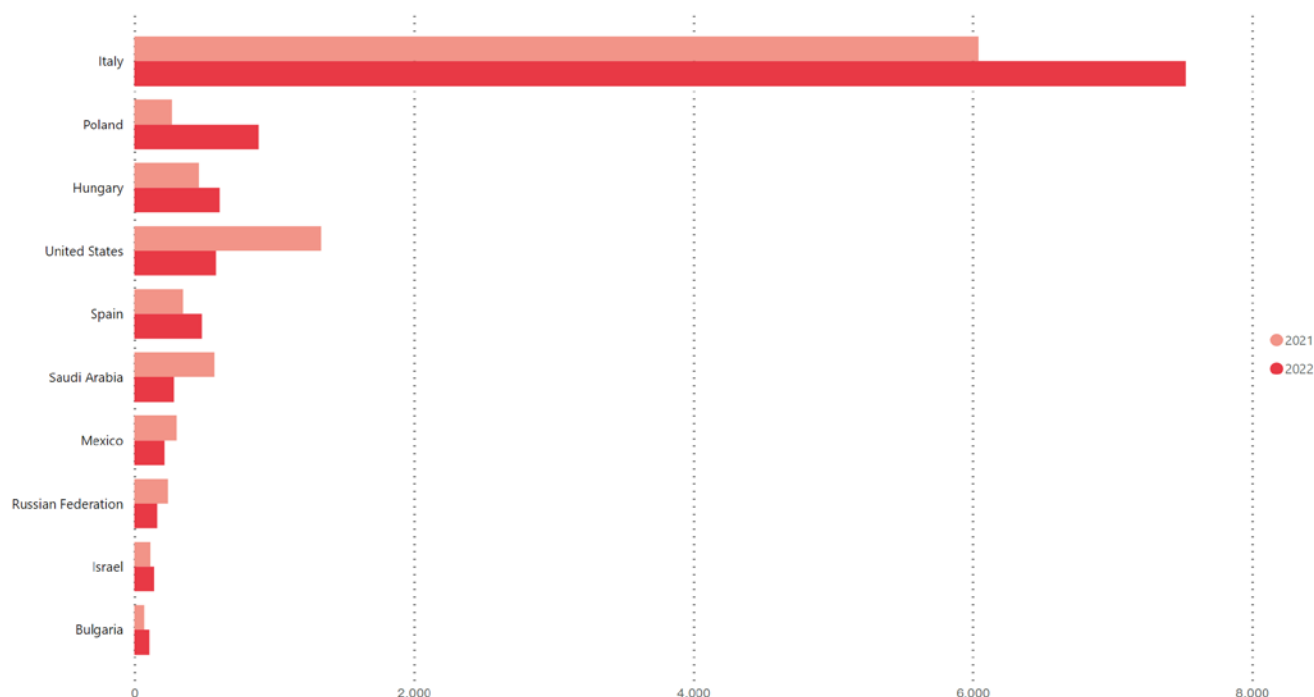
Figure 3: Quantity of currency seizures by country, 2021-2022

Figure 3 shows the 10 countries that reported the most currency cases in 2022 compared to the number of cases from 2021. In total, there were 12,246 reported seizures in CEN in 2022 compared to 10,884 in 2021.

Italy conducted the most currency seizures/detentions of all countries by a significant margin, continuing the trend set last year. Italy conducted approximately 1,500 more seizures in 2022 than in 2021. Poland realized the second highest quantity of currency seizures (887), a significant increase from the 269 currency seizures in 2021. Hungary also increased the amount of currency seizures it conducted, rising from 463 in 2021 to 609 in 2022. Despite the USA's currency being the most seized currency of 2022, the USA saw a decrease in the amount of currency seizures, falling sharply from 1,335 to 583. Spain, Israel and Bulgaria increased the number of currency seizures in 2022 compared to 2021, while Saudi Arabia, Mexico and Russia all saw decreases in the number of seizures.

Figure 4: Currency seizures by location type, 2021-2022

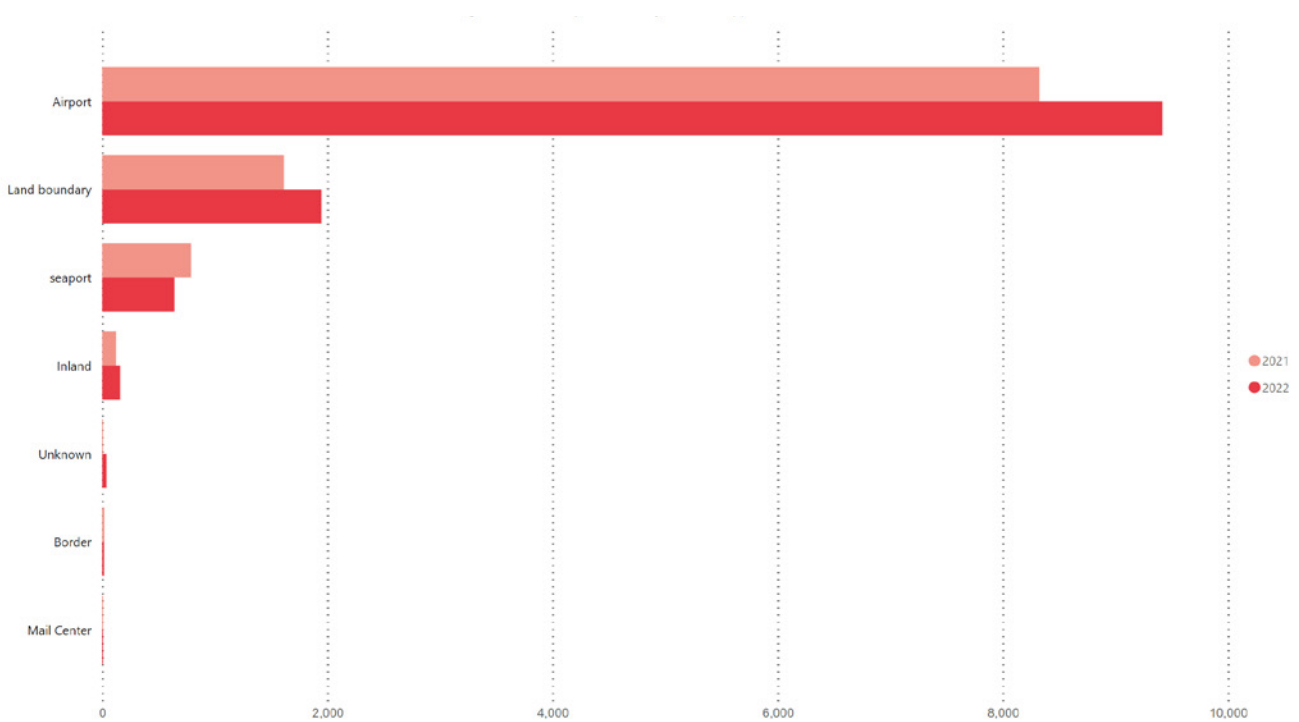


Figure 4 shows the number of seizures reported in 2022 compared to the number reported in 2021 by locations.

Most currency seizures occurred at airports in 2022, accounting for 9,419 seizures (or 76.9% of all seizures). This was followed by land borders (15.8%) and seaports (5.3%) respectively. The locations of “airports”, “inland”, “border” and “mail centers” saw increases in the number of currency seizures that occurred compared to 2021. “Seaports” and “land borders” seizures decreased in 2022

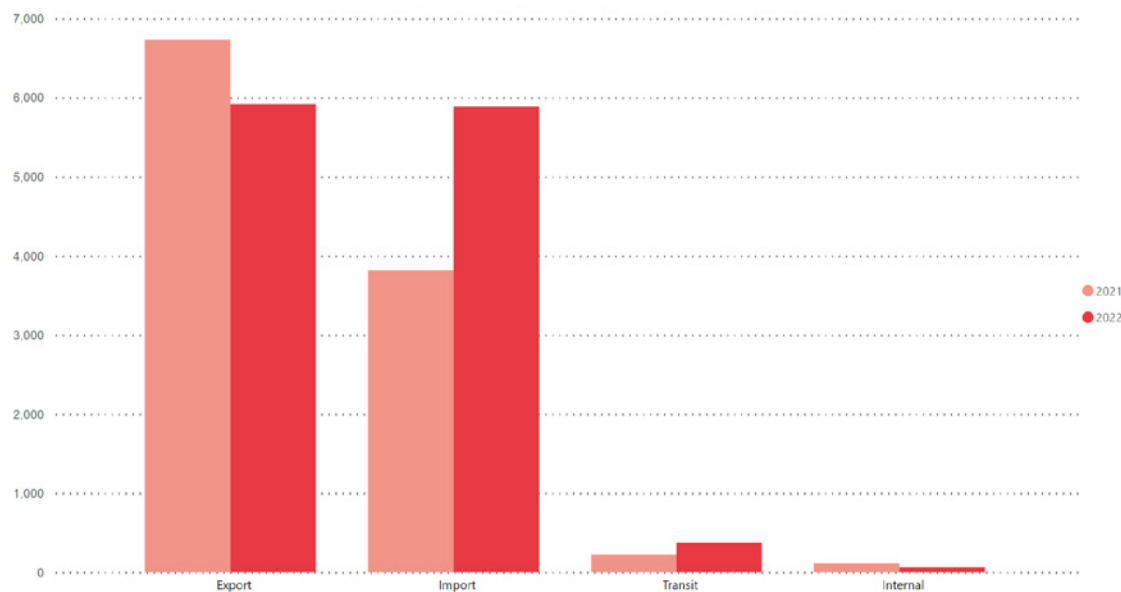
Figure 5: Currency seizures by direction, 2021-2022

Figure 5 shows the number of seizures reported in 2022 compared to the number reported in 2021 by direction.

Most of the reported currency seizures in 2022 were outbound. In 2021, inbound currency seizures accounted for 3,815 seizures, while outbound currency seizures accounted for 6,727. In 2022, the number of inbound currency seizures rose to 5,885 and outbound currency seizures fell to 5,920, to the point where the amount of reported inbound and outbound currency seizures were almost equal. Furthermore, there was a drop in the number of internal currency seizures in 2022 from 117 to 64, and an increase in the amount of currency seizures in transit from 224 to 376.

Figure 6: Currency seizures by concealment method, 2021-2022

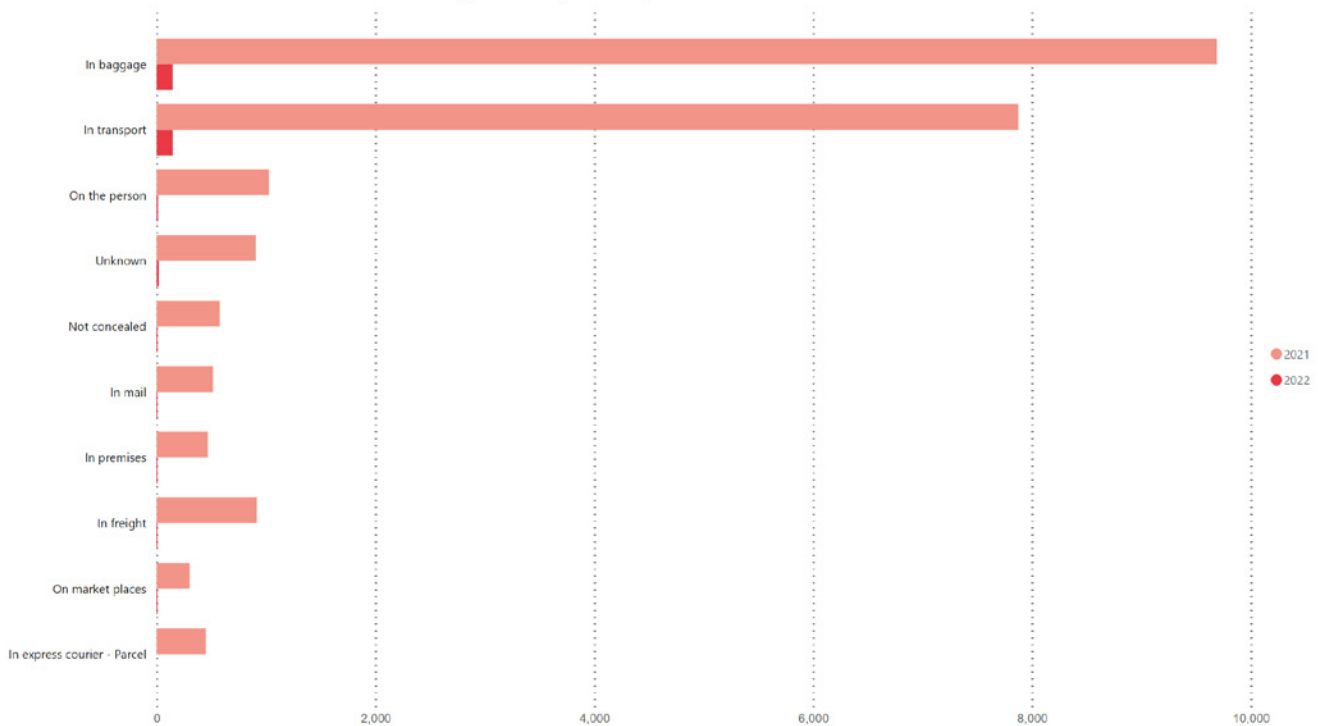
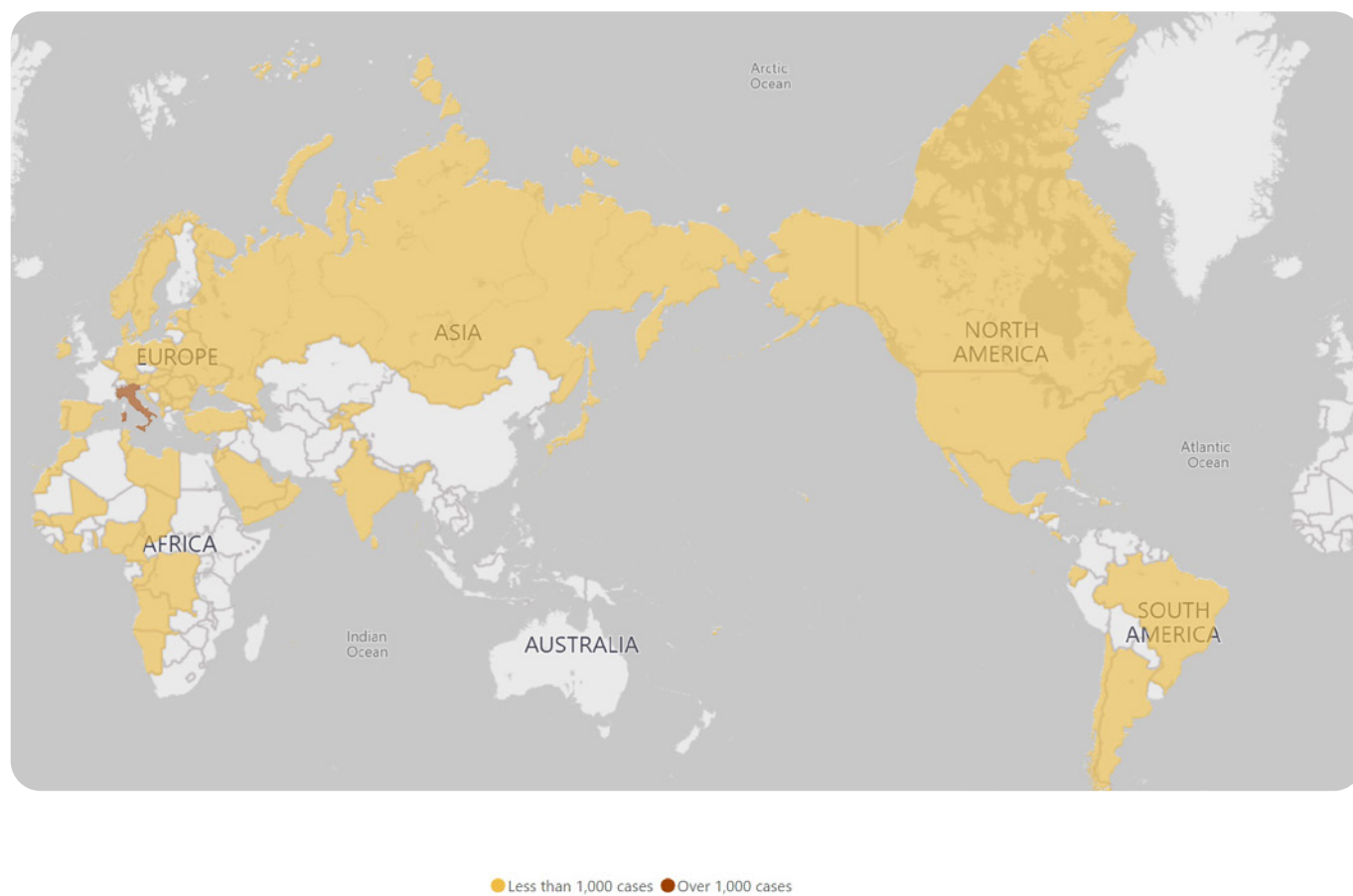


Figure 6 shows the number of seizures reported in 2022 compared to the number reported in 2021 by concealment method.

The most noted currency seizure concealment method in 2022 was “in baggage”. There was a rise from 7,875 in 2021 to 9,692 in 2022 for this method. “In transport” and “On the person” were the next most cited concealment methods. “In transport” and “On the person” saw increases in 2022 compared to 2021. “In freight” also saw an increase, but this was by a marginal amount, rising from 8 seizures in 2021 to 11 in 2022.

The amount of currency seizures citing “unknown” as the concealment method decreased significantly from 2021 to 2022. Decreased reporting for the categories of “not concealed” and “in mail” was also noted.

Heatmap: Currency seizures, 2022



The countries highlighted orange on the above map indicate countries that have recorded currency seizures in CEN. Gray-highlighted countries have not provided any currency seizure data to CEN in 2022.

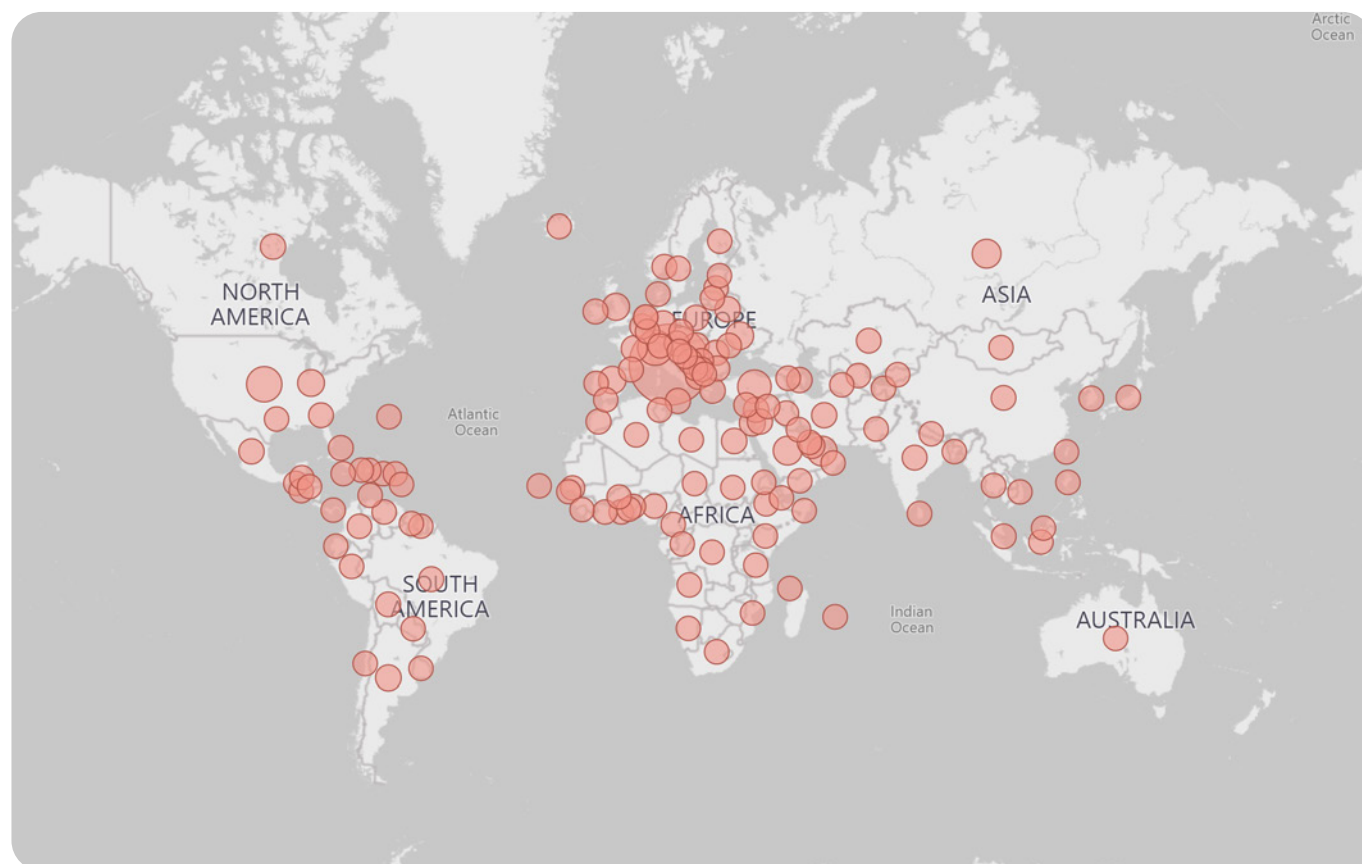
Heatmap: Top seizure countries, 2022



The heatmap above shows seizure countries by quantity seized.

As the map above indicates, Italy is the country that has conducted the most currency seizures in 2022 by a significant margin. Italy is followed by Poland, Hungary, the USA, Spain, Saudi Arabia and Mexico, respectively, as highlighted by the seizure activity clusters on the map.

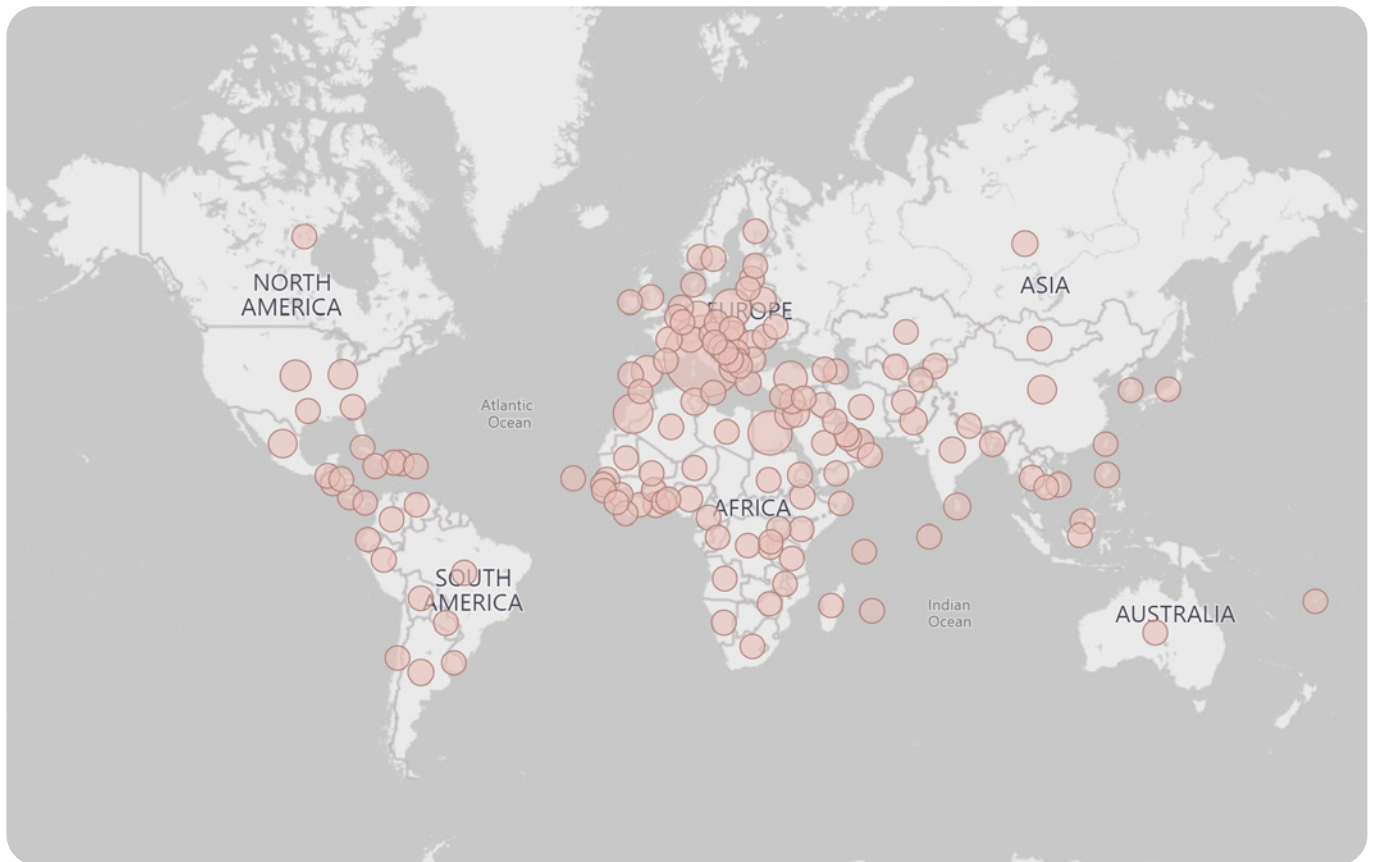
Heatmap: Top departure countries of seizures, 2022



The heatmap above shows the top departure countries of seizures made in 2022.

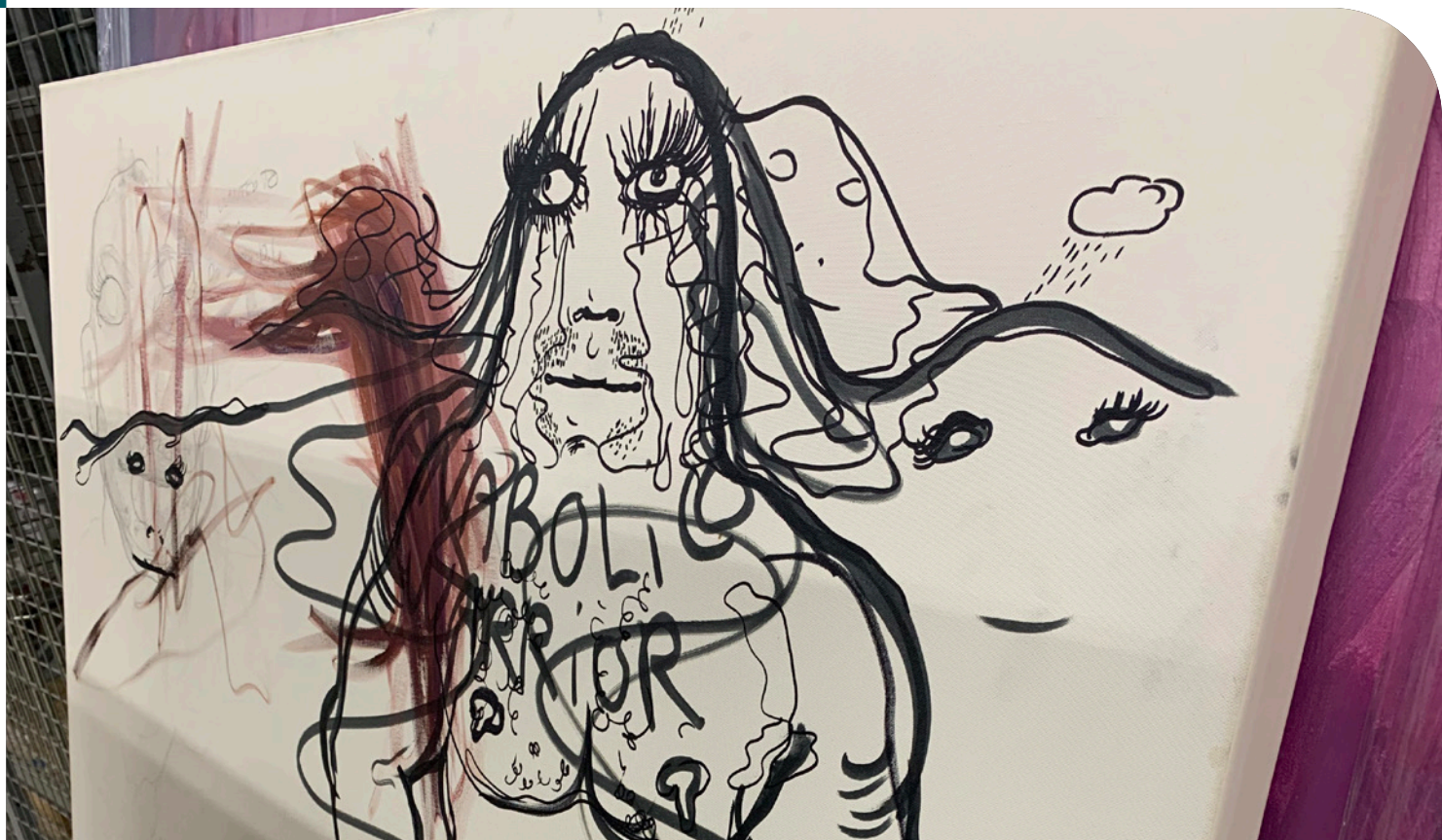
The top departure countries for currency seizures occurring in 2022 were Italy (4,311), Switzerland (846), the USA (845) and Türkiye (704). Other notable countries include the United Arab Emirates (428), the Russian Federation (351) and Saudi Arabia (350) and the Ukraine (268).

Heatmap: Top destination countries of seizures, 2022



The heatmap above shows the top destination countries of seizures made in 2022.

The top destination countries for currency seizures occurring in 2022 were Italy (3,192), Egypt (1087), Morocco (832) and Poland (812). Other countries include Türkiye (497), Hungary (421), Spain (380) and the USA (352).



Cultural Heritage

The story of illicit trafficking in cultural goods in 2021-2022 is truly the story of Ukraine. The war in that region has led to the greatest destruction and theft of cultural property in Europe since the Nazi regime of the 1940s, and it obviously remains an ongoing issue of great concern. However, the looting of Ukraine is also symbolic of the larger issues in the art and antiquities domain, in which the wealthy and powerful often exploit those with fewer resources.

Introduction

The WCO has been actively engaged in advocating for the crucial role of Customs in combatting the illicit trafficking of cultural goods.

The trade in art, antiquities, and other cultural objects is a multi-billion dollar industry. In fact, the estimated value of global sales of art and antiquities in 2021 reached USD 65.1 billion, increasing by 29% from the previous year. The art market is one where individual objects can attract high prices, and there is often an ingrained culture of privacy and discretion regarding the identities of buyers and sellers. The market has naturally attracted criminals, organized crime groups, and terrorists who seek to launder proceeds of crime and fund their activities.

When analyzing trends, we would like to rely largely on data and information provided by Members through the WCO's Customs Enforcement Network (CEN). Unfortunately, the reporting has been quite low in volume. This is understandable given the multitude of other priorities that Customs agencies are faced with. Therefore, we rely largely on reporting by our Regional Intelligence Liaison Offices (RILOs) and on open-source information.

However, as mentioned at the recent Enforcement Committee meeting, we at the WCO Secretariat continue to encourage Members to report seizure data through WCO platforms such as Archeo. This will facilitate our analysis of trends and emerging threats in this area of illicit trade.

1. Overall trends in trafficking of cultural goods

1.1 An increase in reported seizures

CEN reporting of data (visualization) — though the total volume of reported seizures is relatively low compared to other Compliance Programmes, seizures of cultural items have been consistently trending upwards since 2019. Additionally, there was **a significant uptick in 2022, rising 50% over the 2021 level.**

1.2 Customs seizures resulting from the war in Ukraine

The following are examples of cases resulting from the war in Ukraine. We provide examples of seizures/controls in the source, transit, and destination markets. While exemplifying the trade in cultural items taken from Ukraine, this does not address the larger issue of the systematic looting and intentional destruction of museums, libraries, churches, and other Ukrainian cultural institutions by invading forces. This appalling situation seems to have no end in sight.

1 Sources: Clare McAndrew (2022), The Art Market 2022, Art Basel and UBS, <https://d2u3kfwd92fzu7.cloudfront.net/Art%20Market%202022.pdf>

In the Source Country

From RILO ECE Herald 3:

On August 29th, 2022, the anti-narcotics and weapons smuggling department of Odessa Customs and the Container Control Programme group in the Odessa region, together with the Security Service of Ukraine, prevented an attempt to illegally export seven antique weapons (in different parcels), which have cultural and historical value. The parcels were intercepted and seized on intended routes from Ukraine to the USA, UK, France, and Germany. All the parcels had the same sender. During the Customs control of international postal shipments, the following items were detected using X-ray scanning equipment.

1. A dagger with a figured blade – a blade of the Roman type, probably of Iberian origin, 1st century BC – 1st century AD. (CEN ID 1433552)



2. A dagger with a figured blade – a blade of the Roman type, probably of Iberian origin, 1st century BC – 1st century AD. (CEN ID 1433682)



3. Ax Chekan - battle ax of nomads of Ukraine (Russ), VIII-XIII centuries AD. (CEN ID 1433677)





4. An ax with an ornament - a battle ax with a reinforced blade, Scandinavian type, 9th – 11th centuries AD. (CEN ID 1433074)



5. One-handed flail on a chain (Kisten) - shock-crushing weapon of the "morgenstern" type, Kyivan Russ, 9th – 11th centuries AD. (CEN 1433594)



6. Bardiche - battle ax of the 17th century. (CEN ID 1433690)



7. One-handed Flail (Kisten) - impact-crushing weapon belonging to the Iron Age of the 8th – 10th centuries AD. (CEN ID 1433592)

In the Transit Countries

In addition to the below RILO alert, Cyprus reported in the Members' survey that they had detected a new smuggling route from Ukraine for cultural goods. Given the reality of the situation, the only surprising thing about this Report is that it was the only one.



From RILO ECE Alert 2:

In late December 2022, three antique swords were seized by the Lublin National Revenue Administration (NRA) in a postal package. During an inspection of a postal shipment sent from Kiev, Ukraine to Szczecin, Poland, officers of the Postal Customs Department in Lublin came across three ancient swords. They seemed to be artifacts from archaeological excavations. Two of them are probably swords of the "akinakes" type - a type of double-edged weapon made of iron, characteristic of the Scythian culture and which dates back to the 7th - 5th century BC. The third is possibly a sword of the Sarmatian type which dates back to the period from the turn of the 4th/3rd century BC to the 4th century AD. The final opinion, including the authenticity and the historical value of the objects, will be issued by an independent appraiser. [Please pay special attention to postal shipments](#) – they may contain archaeological and cultural property objects.





In the Destination Countries

On September 2, 2022, U.S. Customs and Border Protection (CBP) officers at the Port of John F. Kennedy (JFK) International Airport, International Mail Facility, with the help from officers from the CBP Antiquities Unit at the National Targeting Center, seized a stone axe head and three metal swords. The swords arrived from Russia and the stone axe head arrived from Ukraine. The items were identified as Ukrainian culture property by representatives from the Ukrainian government. The items were ultimately repatriated to Ukraine at a ceremony at the Ukrainian embassy in Washington, D.C. on March 10, 2023.





RedList
ЧервонийСписок
ICOM



EMERGENCY

RED LIST OF CULTURAL OBJECTS AT RISK UKRAINE



ICOM international
council
of museums

Responses to the Ukraine crisis

In 2022, the International Council of Museums (ICOM) published the “Emergency Red List of Cultural Objects at Risk: Ukraine.” The purpose of this document is to “contribute to the protection of cultural heritage by identifying the types of objects that are most at risk,” in this case in Ukraine (there are numerous other Red Lists for other global countries and regions). The Red Lists offer general descriptions of types of items that Customs officers (and police) might encounter during control/inspection operations. This is more practical for the “boots on the ground” officer, as opposed to an exhaustive inventory of every item previously encountered or documented.

As stated in the document itself, “Museums, auction houses, art dealers and collectors are urged not to acquire objects similar to those presented in this Emergency Red List, without having carefully and thoroughly researched their origin and all relevant legal documentation. Any cultural artefact that could have originated from Ukraine – before and after the invasion – should be subject to detailed scrutiny and precautionary measures before any transaction is concluded.”

In addition to the publication of the ICOM Red List, several conferences on the topic of Ukraine were organized by international organizations. First, in January of 2023, the United Nations Educational, Scientific, and Cultural Organization (UNESCO) sponsored a symposium entitled “Fighting the illicit trafficking of Ukrainian cultural property: subregional capacity-building training for law enforcement and the judiciary.” The aim of this meeting was to strengthen the capacities and operational networks of police, Customs, and judiciary officials from the countries that border Ukraine (Hungary, the Republic of Moldova, Poland, Romania, and Slovakia) and Ukraine itself, of course, and create a regional network to facilitate the exchange of information and seizures.

The WCO also gave a virtual presentation to the European Mission to Ukraine conference in Lviv, Ukraine, in May of 2023.

Additional conferences on the topic are upcoming in Stockholm, Sweden, and Tashkent, Uzbekistan later in 2023.

Courtesy of the Guardia Civil



1.3 Other Case Examples from 2022

Although Ukraine has been the focus of the cultural heritage community, there were other significant cases noted by the WCO in 2022.

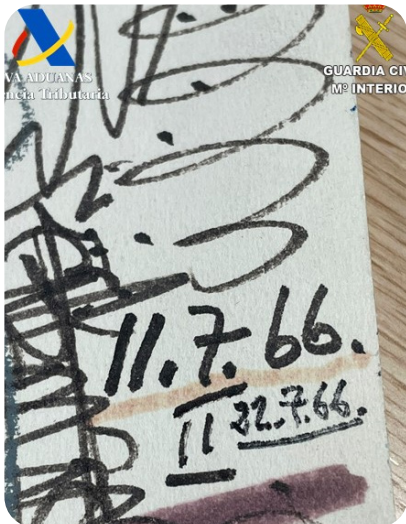
From RILO WE Info magazine:

Spanish authorities intercepted the smuggling of a Picasso painting.



Courtesy of the Guardia Civil

In a joint operation at Ibiza airport on July 5, 2022, officials of Spanish Customs and the Civil Guard intercepted a smuggled drawing attributed to Pablo Picasso. The work "Trois personnages" (1966) was in the luggage of a traveller from Switzerland who tried to import the artwork into Spain without declaration. In his luggage, investigators found the invoice of a Swiss gallery in Zurich in the amount of 450,000 Swiss francs. In the absence of more comprehensive reports, the Cultural Heritage and Fine Arts authority provisionally determined that the work was an original and that the price charged by the gallery was adjusted to the market price. The interception stemmed from information provided by Swiss Customs about a traveller originating from Switzerland who was carrying a work of art on a commercial flight from Zurich to Ibiza under circumstances that appeared suspicious to the Swiss authorities. Following this information, an operation was organized by Customs officers and agents of the Guardia Civil to prevent the traveller from attempting to import the drawings without declaration, thus attempting to evade the control of the Spanish Customs authorities.



Courtesy of the Guardia Civil



Courtesy of the Guardia Civil

A HANDWRITTEN INVOICE OF 1,500 FRANCS Upon arrival at the Ibiza airport, the traveller denied that he had anything to declare. Upon immediate inspection of his luggage, officers found a work of art with Picasso's signature. The traveller then claimed it was a copy and showed a handwritten invoice of 1,500 Swiss francs. However, during a thorough search of his luggage, a second invoice was found, this time from an art gallery in Zurich worth 450,000 Swiss francs, on which the title of the 1966 work "Trois personnages" appears, which matched the controlled artwork. An investigation was initiated for a suspected smuggling offense, as the artwork was imported from Switzerland (non-Customs territory of the European Union) without declaration and its value significantly exceeded the established legal thresholds since the goods in question exceeded 150,000 euros and were imported without a Customs declaration (although the authorities specifically asked if the passenger had anything to declare).

A lawful import of the artwork to Spain would have meant that import duties and VAT would have been payable in addition to the administrative reporting obligations to which the goods were subject.

PRELIMINARY ANALYSIS OF THE WORK After the interception of the art work, the Ministry of Culture appointed an expert in contemporary art, the director of the Museu d'Art Contemporani d'Eivissa, to examine the work, who gave a preliminary assessment on the originality of the intercepted art work and its market value corresponding to the price charged by the Swiss gallery. For the final assessment, more detailed inspections by experts in Picasso's work using advanced techniques are required. The work of art is in custody at the Court of Instance 4 in Ibiza, which is responsible for investigating the matter.

From RILO ECE Herald 4:

Joint investigation “PEKOM” targeted an organized crime group dealing with smuggling of cultural heritage objects and involved Bulgarian and Turkish law enforcement authorities. The operation had several phases during which seizures and arrests were made both in Bulgaria and Türkiye. In total more than 10,000 historical and archaeological artefacts were seized, and 66 persons detained in both countries. According to experts the value of the smuggled objects on the black market would amount to millions of Euros.



"Susana and the old men" (1)



"Libyan Sibyl" (2)

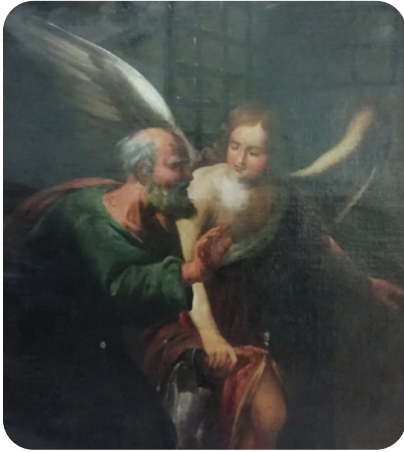


"Adoration of the Shepherds" (3)

From RILO WE alert 9:

In November 2019, French Customs authorities seized several artworks en route from Spain to Germany in precarious shipping conditions, leading French officials to suspect the items' possible illicit origins. This motivated the intervention and subsequent actions carried out in Spain in early 2021. (CEN ID 1328193) The investigations carried out by officials of the Spanish Customs Surveillance Service / Department of Customs and Special Taxes, focused at first on the identification of the works based on their theme and school. As a second step, they proceeded to identify and locate the owners and to discover the scheme to carry out this crime. The paintings were identified as:

1. "Susana and the old men" by Vicent Sellaer (16th century)
2. "Libyan Sibyl" by Jan Van der Hoecke (17th century)
3. "Adoration of the Shepherds" by Luca Giordano (17th century)
4. "Liberation of San Pedro" by Francisco de Zurbarán (17th century) and "Portrait of Emperor Vitellius" by Peter Paul Rubens (17th century).



"Liberation of San Pedro" (4)

The valuation of each of these paintings ranges between 30,000 and 120,000 Euros. The final destination of the paintings was Munich, Germany. The suspects tried to provide export permits from the Spanish authorities, however when analyzing the provided documentation, it was possible to see that the permits were requested one day after the action of the French Customs had taken place and several days after having delivered the works to the carrier. In addition, the valuation of the paintings, their destination, and the purpose of the exports had been altered, and even the authorship had been hidden.

This case serves as an excellent example of the necessity of cooperation between Customs agencies from different countries. The paintings were shipped from Spain, destined for Germany, but intercepted in France before ultimately the case was prosecuted in Spain. It also shows how long these cases can take to reach a conclusion—the initial seizure was in November of 2019 and the case was not finalized until December of 2021.



2. Projects and Operations

Due to a lack of resources, the WCO was unable to conduct any PITCH (Preventing Illicit Trafficking of Cultural Heritage) trainings in 2022. Also, due to a lack of resources, the WCO did not participate in Operation Pandora VII. It should be noted, however, that the WCO will participate in Operation Pandora VIII this summer in its usual role as a co-leader of the operation.



Drugs

The trade of illicit drugs poses a significant and recognizable threat to global commerce and economic actors, surpassing other prohibited goods in its prominence. Drug trafficking transcends borders and impacts various modes of transportation, including air, land, sea, and postal services. It is a pervasive issue that affects every nation, as no country is exempt from the infiltration of drug trafficking into its legitimate trade activities.

Introduction

The past year has been marked by efforts by the global economic community to restore pre-pandemic trade flows and build more resilient supply chains.

The COVID-19 pandemic also had an impact on the drug markets. Countries and Governments around the globe were forced to establish restrictive measures, trying to contain the spread of the virus. The free movement of people had been considerably restricted, and travel limitations and lockdowns were enforced in many countries and regions around the world.

Despite the impact of the pandemic, drug markets and criminal organizations were able to adapt to the new circumstances, overcoming law enforcement efforts by constantly evolving and continually changing routes and *modi operandi*, using different means of conveyance, and new operating methods, thus presenting severe challenges to Customs and other law enforcement administrations.

This Report will present new trends in drug trafficking between countries and regions globally at aggregated levels and by drug type during 2022, compared to 2021, and patterns in detection, concealment, and conveyance methods.

Organised crime and drug trafficking are global problems that affect communities and society, as drugs directly impact citizens' health. Drug use can cause severe physical and mental health consequences, up to and including the death of drug users.

Drug trafficking and consumption exacerbate social instability and are a driver of violence. Organised crime and drug trafficking impact both the social and economic dimensions, negatively affecting all aspects of people's lives and ultimately directly affecting the development of states.

This flagellum also significantly impacts the environment. Coca cultivation, cocaine production and trafficking have led to massive deforestation and higher pollution from the chemicals used. All these factors worsen climate change-related problems and harm our planet.

In 2022, Europe and North America continued to be the major consumer markets for cocaine in the world.¹ Furthermore, according to CEN statistics, in 2022, cocaine was the dominant drug, followed by Cannabis, Khat, Opioids and Opiates. This section of the ITR analyses the main cocaine routes. In addition to cocaine, NPS is also experiencing explosive growth, threatening public health like never before.

Moreover, new trafficking channels, such as communication via video games and the enormous growth of e-commerce, have extended the need for stronger international alliances to increase enforcement capacity. This Report will present specific reflections on the use of digital platforms and e-commerce for drug

¹ Sources: UNODC World Drug Report 2022.

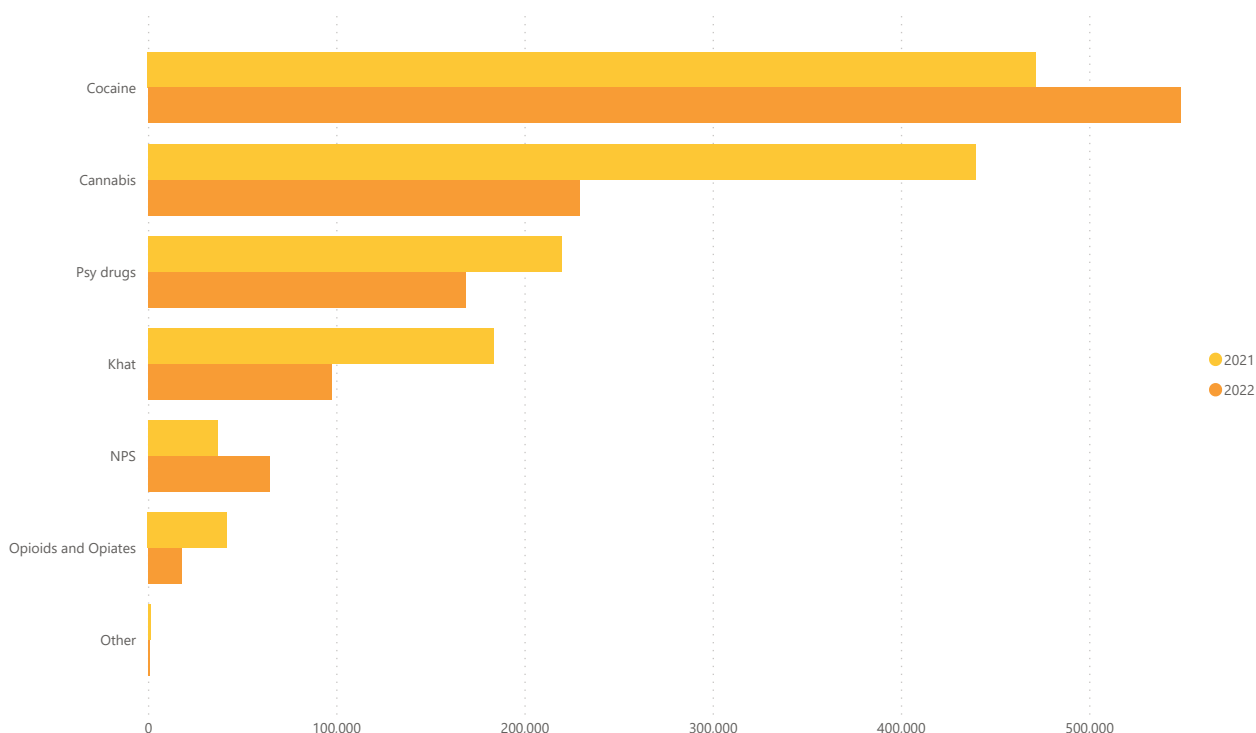
trafficking and the life-threatening public health effects of uncontrolled tramadol and fentanyl use.

The need for Customs to remain vigilant and adapt their approaches to ensure that drug trafficking is combated effectively while ensuring legitimate trade continues to flow smoothly is highlighted. In this context, the WCO, through its programmes and partnerships, aims to provide guidance, support, and assistance to Member administrations in their efforts to fight drug trafficking by developing new and advanced technologies, providing capacity building, and promoting more knowledge-sharing among law enforcement agencies. This Report references ongoing programmes and case studies submitted by Member administrations.

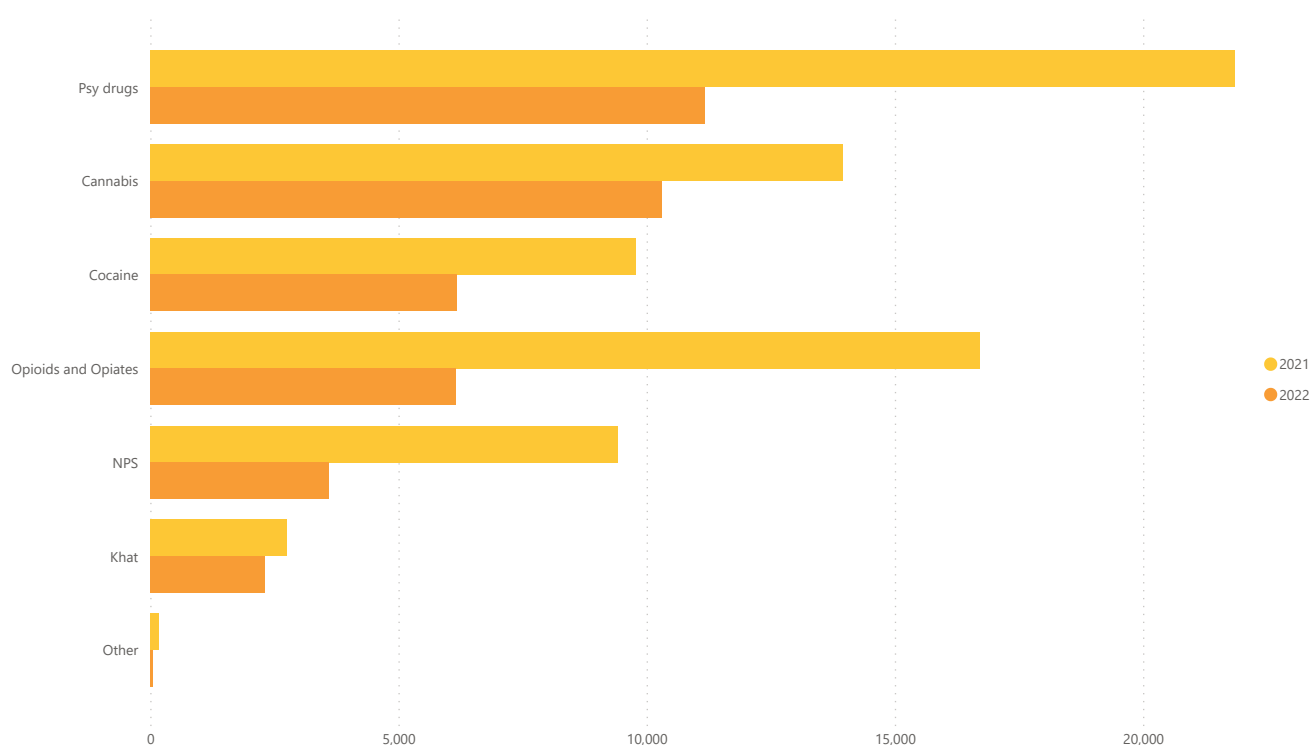
1. Overall trends in drugs trafficking

This section of the Report discusses drug seizure trends, as reported to the CEN database. In 2021, 131 countries reported 74,629 seizures.² For 2022, a total of 39,746 seizures were reported by 130 countries.

Figure 1: Drug seizures in weight by category, 2021-2022



² Sources: This data includes all the 2021 seizures registered in 2021 and 2022. There could be minimal differences with respect to what was reported in the WCO ITR 2021, which presented the data collected until the publication of the mentioned report.

Figure 2: Drug seizures by category, 2021-2022

The overall numbers for drug seizures in both weight and cases decreased from 2021 to 2022. The most significant changes in absolute terms in kilograms were observed for cannabis and cocaine. In all categories, the number of seizure cases decreased, and opioids and opiates showed the most significant variation.

In 2022, drugs seized totalised 1,126,538.04 kilograms, compared to 1,395,038.12 kilograms seized in 2021, representing a 19.25% decrease. The top three drugs in terms of quantity seized in 2022 were cocaine (48.67%), cannabis (20.37%), and psychotropic substances (14.97%).

The most prominent drug category in terms of the number of seizures was psychotropic substances, with 11,170 seizures (28.1% of all seizures), followed by cannabis with 10,306 seizures (25.93%), cocaine with 6,170 seizures (15.52%), opioids and opiates with 6,148 seizures (15.47%), new psychoactive substances with 3,597 seizures (9.05%), khat with 2,308 seizures (5.81%), and other substances with 47 seizures (0.12%).

In terms of cannabis seizures in kilograms, there was a considerable decrease of almost 50%, from 439,456.07 kilograms in 2021 to 229,484.68 kilograms in 2022. The changing regulations regarding cannabis may explain this decrease on a global level. The increasing legalisation of cannabis for medicinal and recreational purposes in various countries and states might have decreased the demand for illegally produced and traded cannabis.

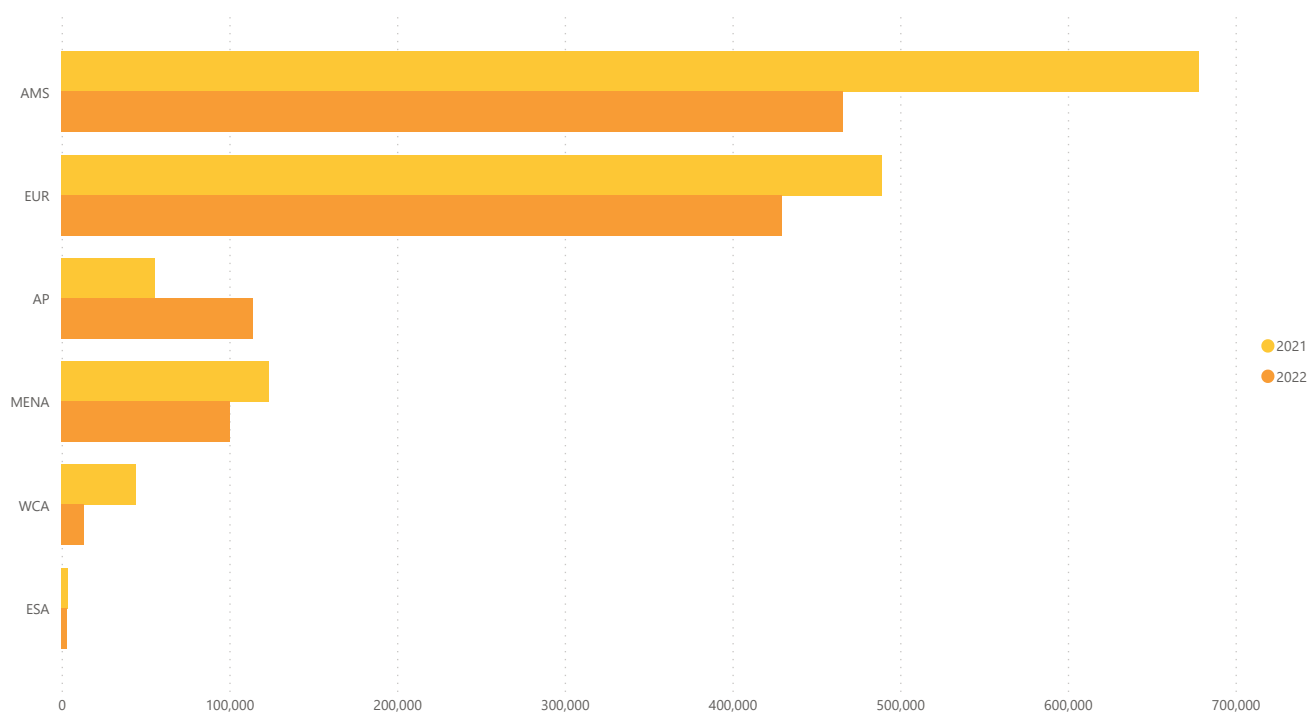
Contrarily, cocaine seizures increased by 16.23% in kilograms, from 471,775.31 kilograms in 2021 to 548,327.23 kilograms in 2022. This increase may be

attributed to several factors, including the ongoing demand for cocaine in specific regions and countries or the expansion of cocaine production.

Instead, the increase in seizures of NPS in kilogrammes and the decrease in seizures may be because NPS are relatively new drugs. The effectiveness of detecting and seizing NPS is a permanent challenge due to the change of compositions, the use of unregulated substances, and the diversion of precursors from legal to illegal activities.

In terms of cases, there was a decrease in all drug seizures, especially in opioids and opiates and psy drugs, in 2022 compared to 2021. In the case of opioids and opiates, a shift to alternative treatments and stricter regulations on opioid prescription and distribution may explain this trend. Concerning psy drugs, it seems that heavier individual shipments are being made to decrease the number of seizures, but the weight increased.

Figure 3: Kilogrammes of drugs seizures by region, 2021-2022



In 2021, South America, North America, Central America, and the Caribbean accounted for the highest number of seized drugs, precisely 678,390.18 kilogrammes, followed by Europe with 489,141.52 kilogrammes.

In 2022, however, South America, North America, Central America, and the Caribbean region saw a significant decrease of 31.34% in drug seizures, from 678,390.18 kilogrammes in 2021 to 465,783.84 kilogrammes in 2022. Europe also experienced a slight decline of 12.19%, from 489,141.52 kilogrammes in 2021 to 429,534.54 kilogrammes in 2022. Alternately, the Far East, South and Southeast Asia, Australasia, and the Pacific Islands saw a considerable increase of 105.81%, from 55,537.87 kilogrammes in 2021 to 114,304.16 kilogrammes in 2022.

Figure 4: Kilogrammes of drug seizures by region and category, 2021-2022

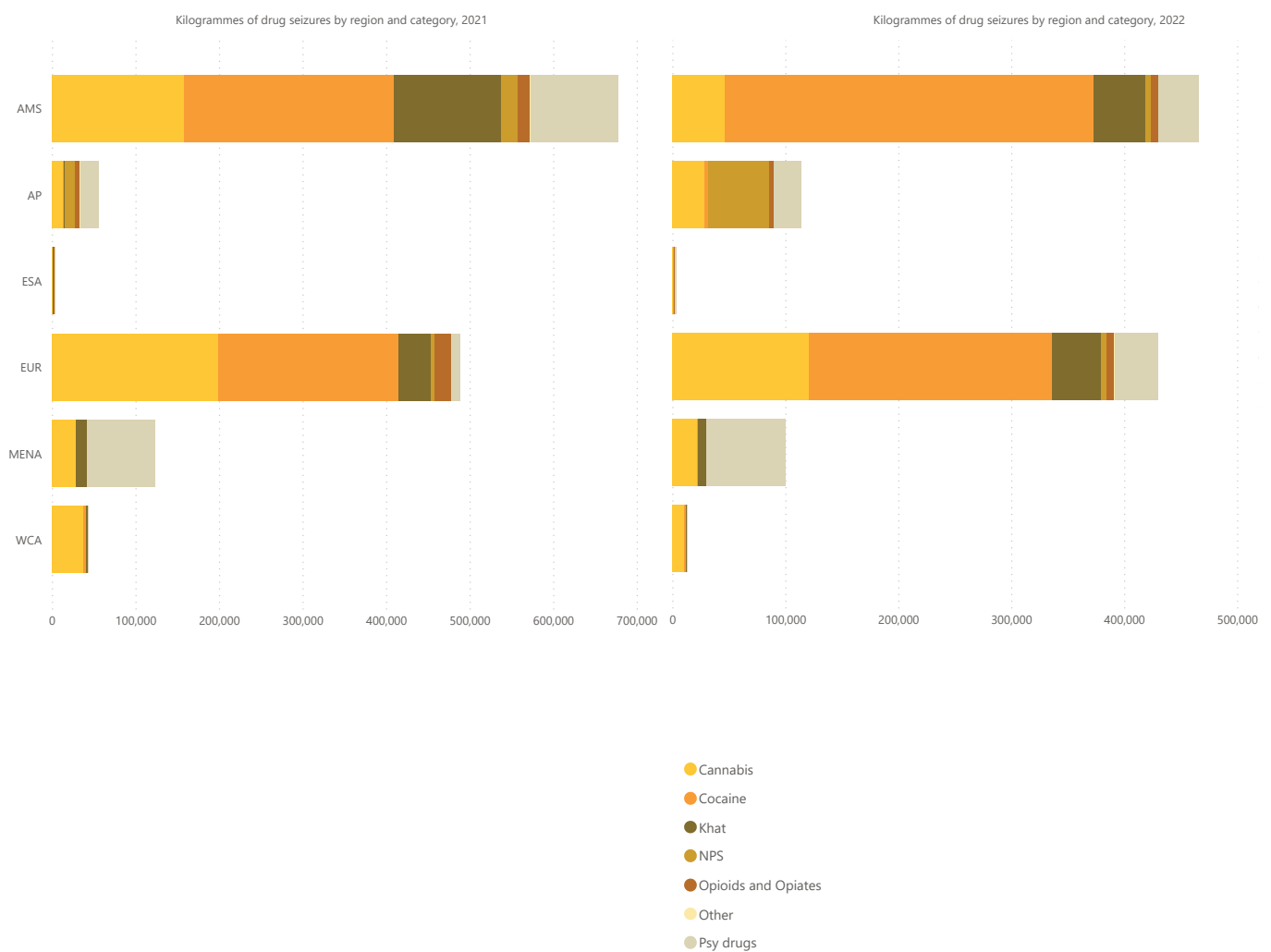
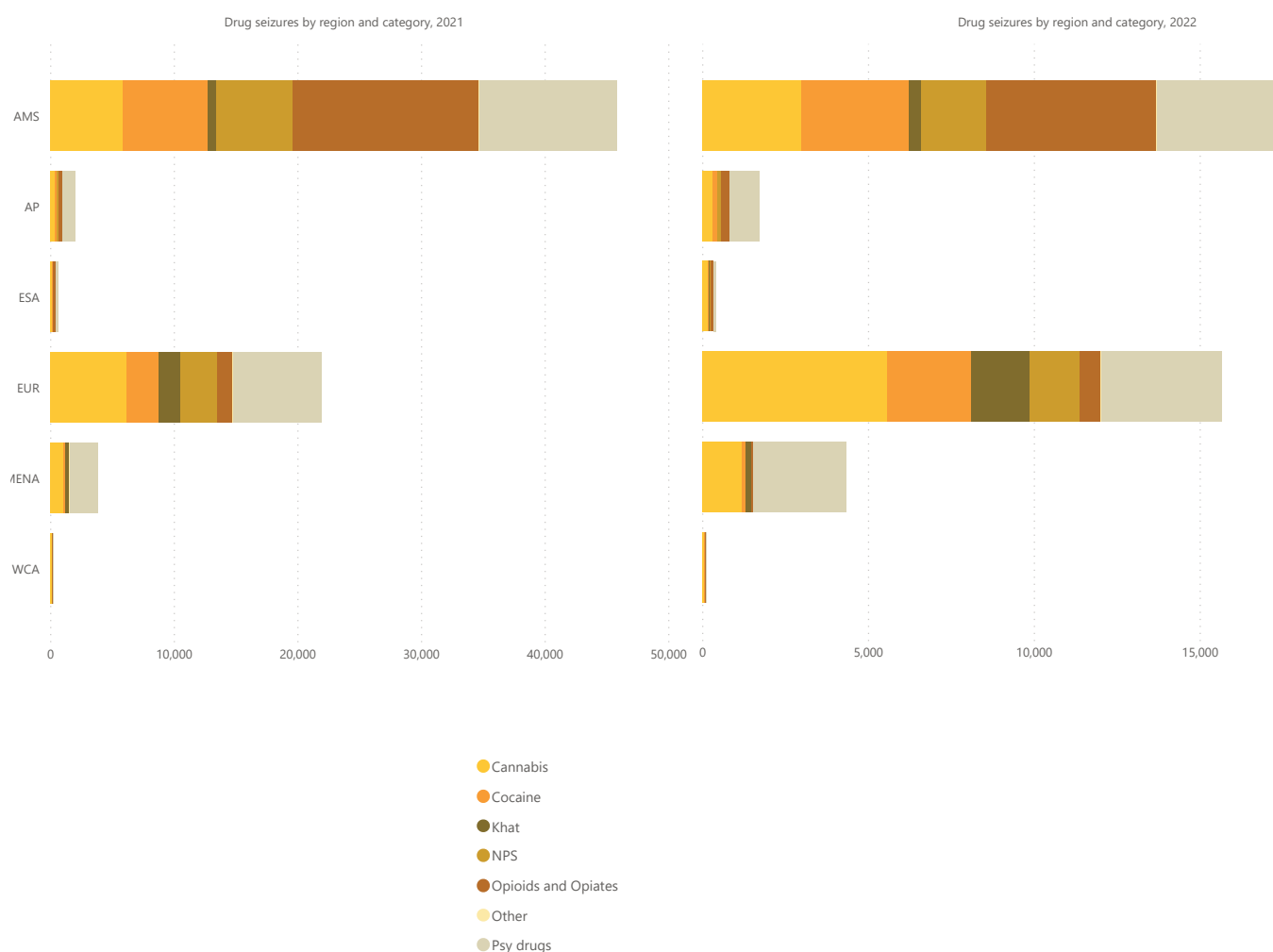


Figure 5: Drug seizures by region and category, 2021-2022



Cocaine had the highest seizure numbers in kilogrammes in 2022, an increase of 16.23% compared to the previous year, 2021. In aggregated terms, South America, North America, Central America, and the Caribbean region experienced the most significant increase in absolute terms (increment of 75,929.42 kilogrammes), equivalent to 30.23%. The increase in cocaine seizures in this region could be because this region is a significant producer and distributor of cocaine. Other regions, such as Europe and West and Central Africa, experienced declining seizures, which could be associated with changes in trafficking routes.

In the case of cannabis, the total seizures in weight decreased by 47.78%, with all regions experiencing a decline in seizures except for the Far East, South and South East Asia, Australasia and the Pacific Islands region, which saw a significant increase in 120.18%, explainable by a possible rise in demand or a shift in trafficking routes.

The trends in seizures of Psy drugs in different regions vary significantly in terms of the quantity of drugs and the number of cases in 2022. Regarding seizures in kilogrammes, the most significant increase occurred in Europe, where the seizures of

Psy drugs increased by 251.51% compared to 2021. This increase can be attributed to several factors, such as increased demand and expanded online drug markets. In contrast, the seizures of Psy drugs in South America, North America, Central America, and the Caribbean decreased by 66.19% compared to 2021. Moreover, seizures in West and Central Africa also saw a significant decrease of 78.31%.

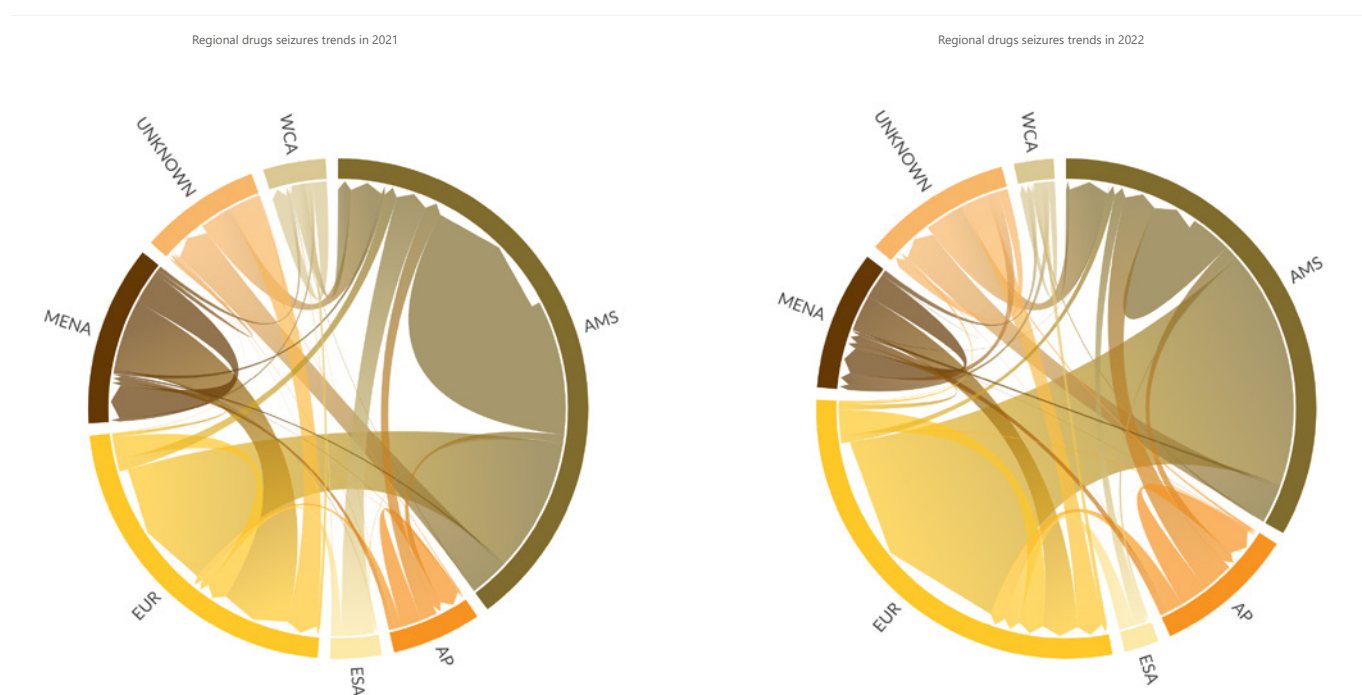
Regarding Psy drug seizures in cases, the most significant decrease occurred in South America, North America, Central America, and the Caribbean, where cases decreased by 66.48% compared to 2021. Meanwhile, seizures in Europe decreased by 49.40%. Inversely, North of Africa, Near and Middle East observed an increase of 23.97% in the number of cases compared to 2021. However, seizures in East and Southern Africa also saw a decrease of 65.18% in the number of cases.

For khat, the total seizures decreased by 46.91%, with all regions experiencing a decline in seizures, except Europe.

In the case of NPS, the total seizures increased by 74%, with the Far East, South and South East Asia, Australasia and the Pacific Islands region experiencing the most significant increase of 342.74%. This increase could be due to the emergence of new psychoactive substances or changes in demand. Other regions, such as South America, North America, Central America, and the Caribbean, experienced declining seizures.

Finally, for opioids and opiates, the total seizures decreased by 57.21%, with all regions experiencing a decline in seizures except for the North of Africa, Near and Middle East region, which experienced an increase of 54.73%.

Figure 6: Regional drugs seizures trends in 2021 and 2022



Regarding the variations between departure and destination regions, South America, North America, Central America, and the Caribbean region decreased by 14.90%, from 666,182.88 kilogrammes in 2021 to 566,916.79 kilogrammes in 2022. This decrease may be attributed to production changes and disruptions to international trade and passenger flow resulting from the COVID-19 pandemic restrictions. Specifically, Europe is the destination with the highest seizures departing from South America, North America, Central America, and the Caribbean region.

Drug seizures in the Far East, South and South East Asia, Australasia, and the Pacific Islands region increased in 2022. In 2021, the total quantity of drugs seized in this region was 104,675.51 kilogrammes, which grew to 141,387.02 kilogrammes in 2022, representing an increase of 36,711.51 kilogrammes or approximately 35.07%. This increase could be attributed to several factors, including the rising demand for drugs in the region and its geographical location, making it a transshipment point for drug trafficking activities.

Drug seizures in the North of Africa, Near and Middle East region showed a mixed trend, with a decrease in 2022 compared to 2021 in some cases and an increase in others. The total quantity of drugs seized in this region was 243,852.40 kilogrammes in 2021, which decreased to 113,803.66 kilogrammes in 2022, representing a decline of 130,048.74 kilogrammes, or approximately 53.33%.

Overall, the top 2 couples for departure and destination regions with the highest flows in kilogrammes in 2022, and their respective comparison with 2021, are:

- The total amount of seized drugs has increased in South America, North America, Central America and the Caribbean to Europe, from 277,373.79 kilogrammes in 2021 to 404,202.02 kilogrammes in 2022 (an increase of 126,828.23 kilogrammes, or approximately 45.72%). This trend can be attributed to various factors, such as the re-establishment of trade routes after the COVID-19 pandemic and increased drug shipments to Europe.
- The second highest flow of drug seizures is intra-trade within South America, North America, Central America, and the Caribbean. The amount of seized drugs has decreased significantly from 282,760.53 kilogrammes in 2021 to 70,132.92 kilogrammes in 2022. This may indicate trends related to the shipping of the drug directly to other continents through more direct routes, minimising transit between countries in the region.

Figure 7: Quantity of drugs seized by Customs procedure (in kilograms), 2021-2022

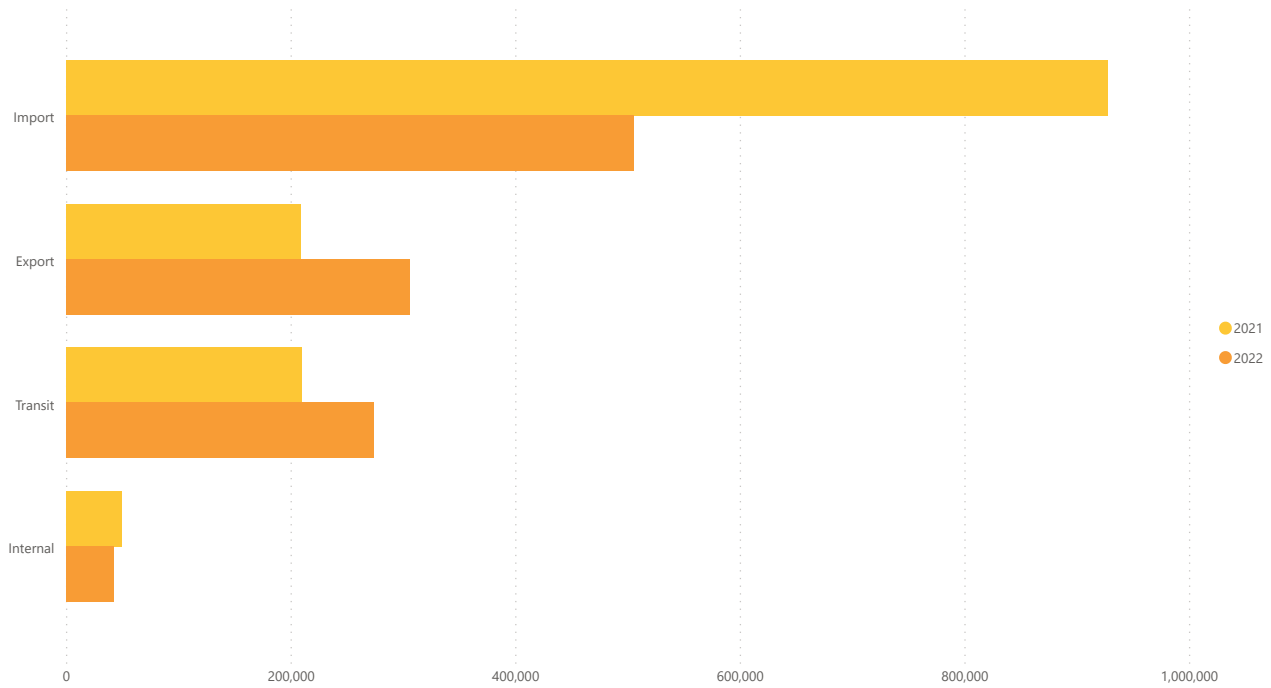


Figure 8: Customs procedure participation in drug seizures, 2021

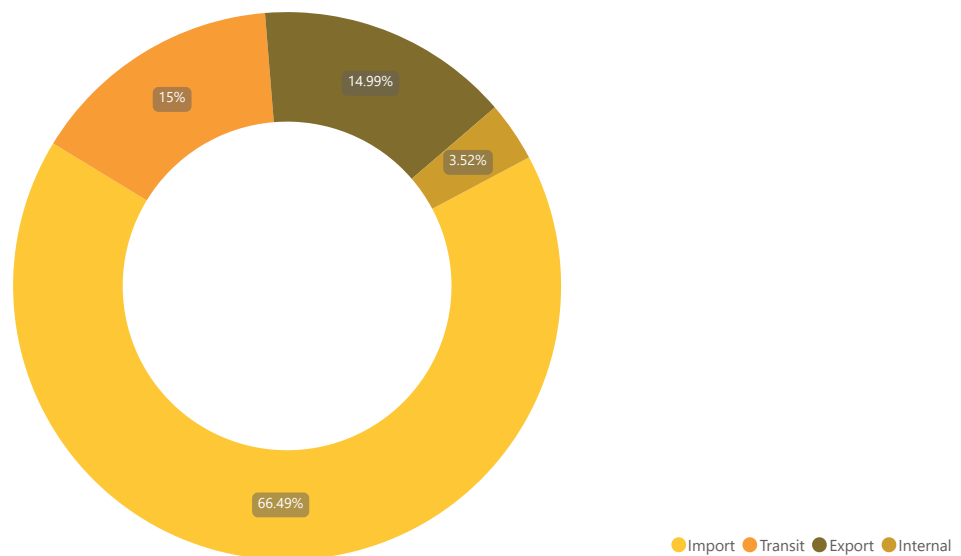
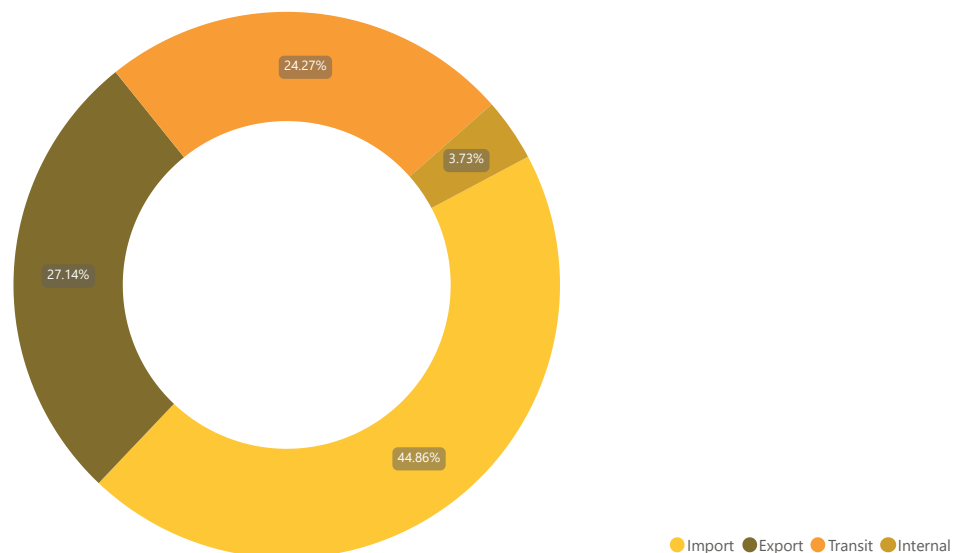
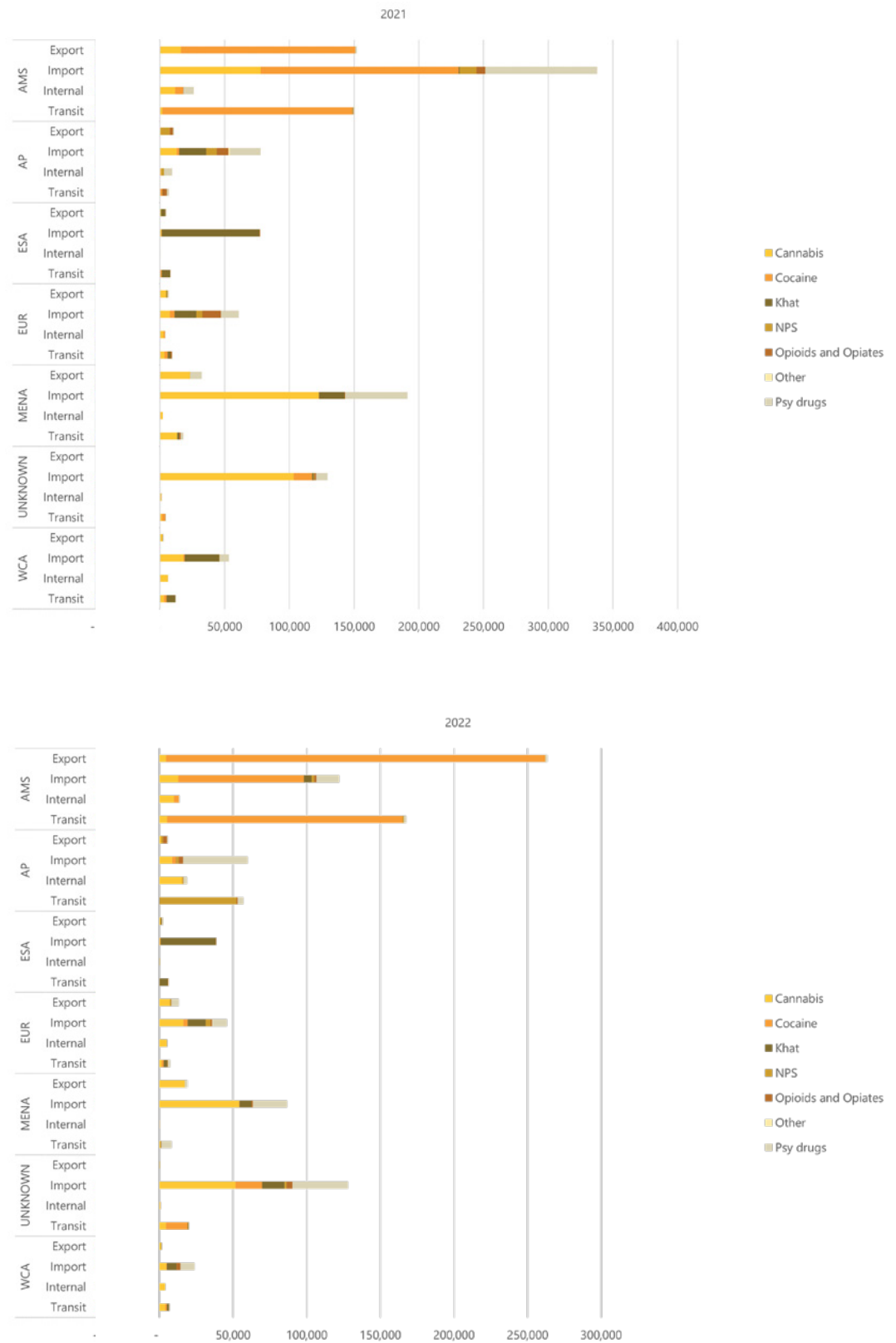


Figure 9: Customs procedure participation in drug seizures, 2022

There were changes in drug seizures by Customs procedure between 2021 and 2022. Import is the most prominent Custom procedure, with 66.49% in 2021 and 44.86% in 2022. Import seizures decreased by 45.52%, from 927,547.09 kilogrammes in 2021 to 505,357.62 kilogrammes in 2022.

In contrast, for export, there was an increase in drug seizures from 209,056.38 kilogrammes in 2021 to 305,789.40 kilogrammes in 2022. Likewise, there was an increase in drug seizures for transit from 209,301.38 kilogrammes in 2021 to 273,424.66 kilogrammes in 2022.

Figure 10: Quantity seized by drug type, region and Customs procedure (in kilogrammes), 2021-2022



Significant changes in drug seizures occurred between 2021 and 2022 across regions and different drug types. In terms of cannabis seizures, the total amount of seizures decreased in exports from 47,806.65 kilogrammes in 2021 to 31,396.16 kilogrammes in 2022. Africa is one of the leading producers of cannabis, and the reduction of 25.52% in the region North of Africa, Near and Middle East contributed to the overall decline, decreasing from 23,369.85 kilogrammes in 2021 to 17,405.95 kilogrammes in 2022. Similarly, the imports of cannabis decreased by 56.87% from 343,742.16 kilogrammes in 2021 to 148,253.88 kilogrammes in 2022. The essential decreases in volume in absolute terms were in the Europe region, falling from 181,177.75 kilogrammes in 2021 to 99,715.10 kilogrammes in 2022 (diminution of 44.96%), and South America, North America, Central America and the Caribbean, reducing from 128,873.56 kilogrammes in 2021 to 26,610.78 in 2022 (79.35%). Otherwise, internal seizures increased from 24,893.88 kilogrammes in 2021 to 34,351.30 kilogrammes in 2022, while transit seizures decreased from 23,013.38 kilogrammes in 2021 to 15,483.34 kilogrammes in 2022.

Concerning cocaine, there has been a significant increase in exports from 134,733.62 kilogrammes in 2021 to 257,659.47 kilogrammes in 2022 (a variation of 91.24%). The South American region is the primary producer of cocaine globally. There was a significant increase of 91.40% in the total amount of seizures in South America, North America, Central America, and the Caribbean in exports, increasing from 134,491.23 kilogrammes in 2021 to 257,416.60 kilogrammes in 2022. On the contrary, the imports decreased from 173,395.17 kilogrammes in 2021 to 109,678.27 kilogrammes in 2022. The most critical decreases in volume were in the regions of South America, North America, Central America and the Caribbean, reducing from 53,516.08 kilogrammes in 2021 to 14,260.17 kilogrammes in 2022 (a reduction of 73.35%). Europe declined from 117,384.63 kilogrammes in 2021 to 91,565.04 kilogrammes in 2022 (a diminution of 22%). Internal seizures decreased from 7,254.48 kilogrammes in 2021 to 3,370.70 kilogrammes in 2022, while transit seizures increased from 156,392.05 kilogrammes in 2021 to 177,618.79 kilogrammes in 2022.

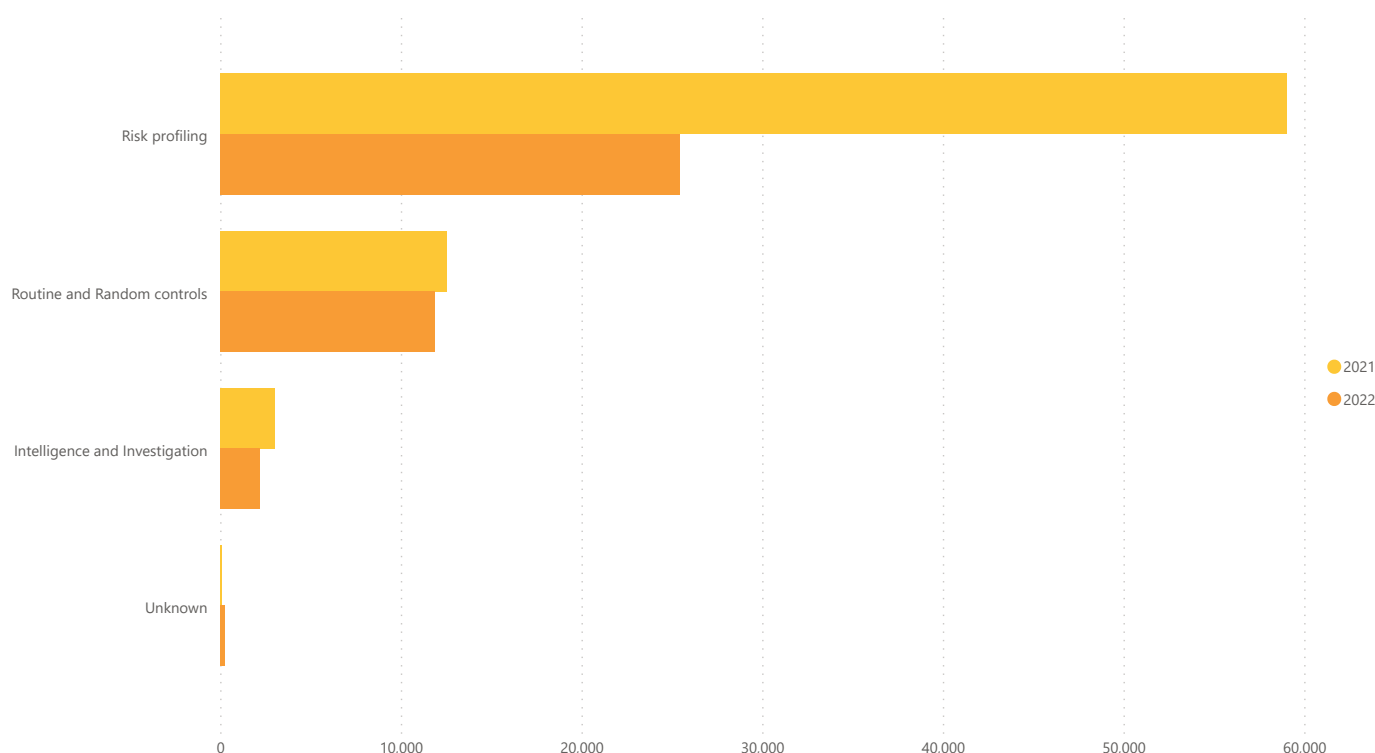
Regarding khat, exports have decreased significantly from 3,746.04 kilogrammes in 2021 to 1,278.38 kilogrammes in 2022 (a decrease of 65.87%). All three regions with seizure information in CEN, namely East and Southern Africa, Europe, And West and Central Africa, registered fewer seizures in 2022. Similarly, khat imports decreased from 162,202.83 kilogrammes in 2021 to 85,702.43 kilogrammes in 2022 (47.16%). The most significant decrease was for South America, North America, Central America and the Caribbean region lowering from 125,460.58 kilogrammes in 2021 to 44,841.74 kilogrammes in 2022 (64.26%). Internal seizures increased slightly from 2 kilogrammes in 2021 to 25.10 kilogrammes in 2022, while transit seizures decreased from 17,515.59 kilogrammes in 2021 to 10,397.34 kilogrammes in 2022 (a reduction of 40.64%).

For NPS, there has been a significant decrease of 71.40% in exports from 7,575.06 kilogrammes in 2021 to 2,166.66 kilogrammes in 2022. Similarly, the imports of NPS decreased from 26,378.28 kilogrammes in 2021 to 8,138.52 kilogrammes in 2022 (a reduction of 69.15%). Internal seizures increased from 2,094.38 kilogrammes in 2021 to 64,639.08 kilogrammes in 2022.

Regarding opioids and opiates seizures, critical import, transit and internal decreases were noted. The most significant changes in export were from East and Southern Africa, a decrease of 61.60% from 303.27 kilogrammes in 2021 to 116.47 kilogrammes in 2022. Meanwhile, European opioids and opiates exports increased by 26.16% from 140.91 kilogrammes in 2021 to 177.77 kilogrammes in 2022. However, the import and transit of opioids and opiates have decreased in almost all regions. The most significant decrease happened in Europe, where imports declined by 62.60%, and transit decreased by 76.34%.

Regarding PSY drug seizures, the overall trend is a decrease in export, import and internal. Europe had the most significant increase in both export and import, with a rise of 244.35% (from 749.30 kilogrammes in 2021 to 2,580.19 kilogrammes in 2022) and 251.94% (from 6,928.25 kilogrammes in 2021 to 24,383.38 kilogrammes in 2022), respectively. Also, the transit of PSY drugs increased significantly in Europe, with a variation of 249.83%.

Figure 11: Quantity of drugs seized by detection method (in kilogrammes), 2021-2022



The analysis of drug seizure data across different detection methods reveals trends in variations and participation levels. In 2022, seizures in the framework of intelligence and investigations experienced a decline but saw increased relative participation, indicating enhanced effectiveness in targeting drug trafficking. This method experienced a significant decline of 27.14% in drug seizures between 2021 and 2022. Despite this reduction, its relative participation increased from 4.01% to 5.48%.

This trend may indicate that intelligence-driven approaches have become more effective in identifying and intercepting drug shipments, despite a decrease in the absolute number of seizures. The improved efficiency in targeting high-risk drug trafficking activities can be attributed to advancements in intelligence gathering, data analysis techniques, and enhanced collaboration with law enforcement agencies at national and international levels.

The most prevalent method, risk profiling, decreased, reflecting the need for ongoing adaptation to evolving smuggling techniques. However, risk profiling remains the most dominant method, accounting for 79.09% of seizures in 2021 and 63.93% in 2022. It exhibited a substantial decrease of 56.95% in drug seizures during the same period. This decline may suggest a possible reconfiguration of smuggling patterns, with criminals adapting their strategies to evade risk profiling measures.

Comparing the numbers of 2021 and 2022, seizures resulting from routine and random controls showed a more modest decline (-5.25%). Still, a notable increase in total participation could be seen, from 16.81% in 2021 to 29.90% in 2022.

Figure 12: Drugs seized by concealment method (in cases), 2021-2022

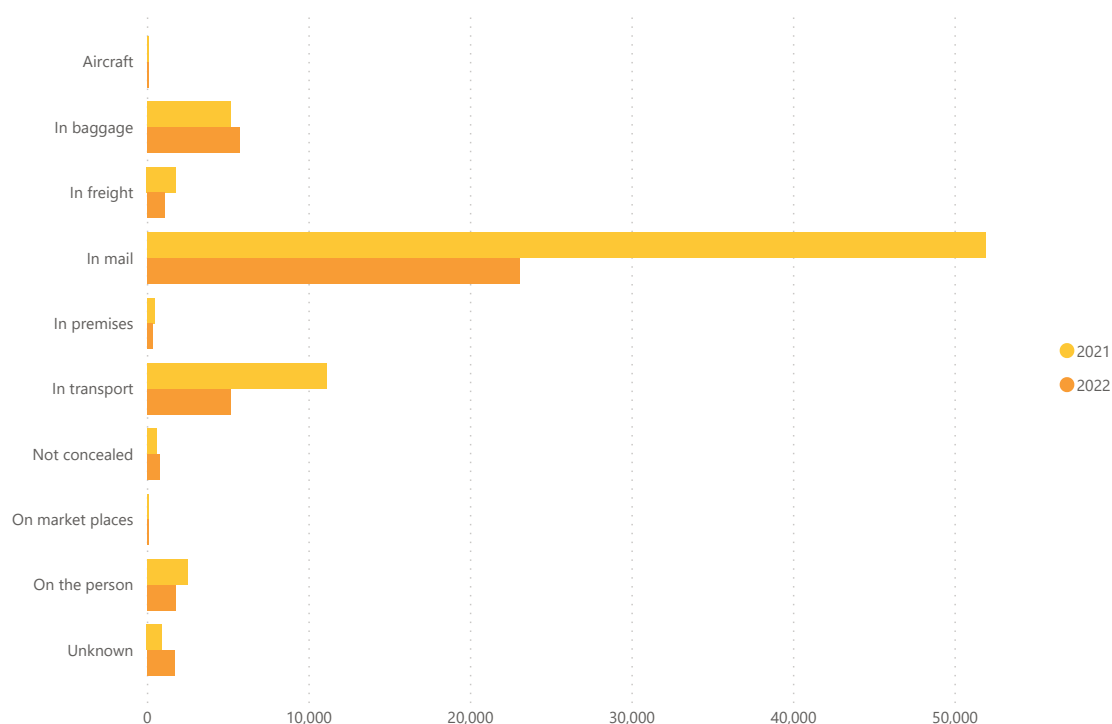
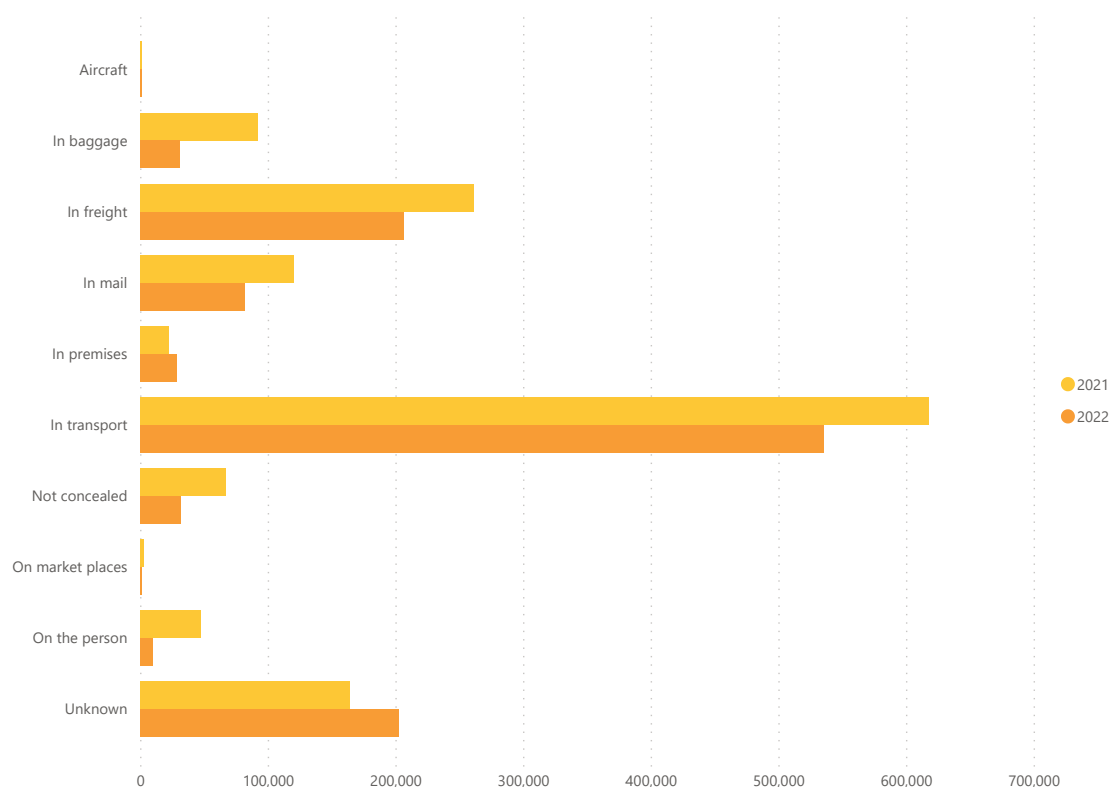
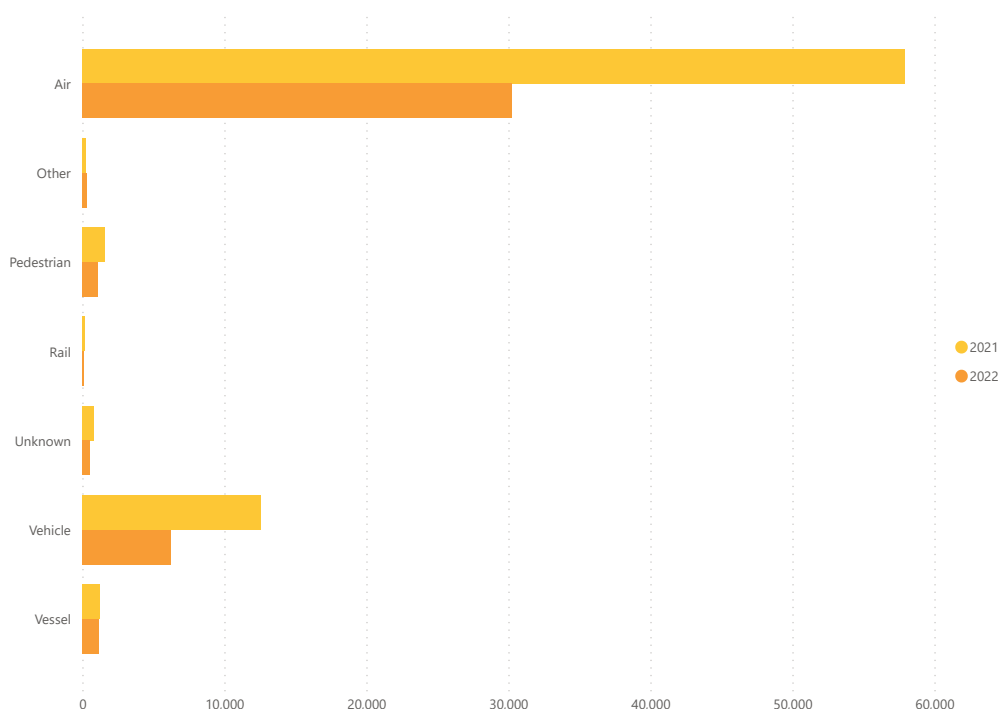


Figure 13: Drugs seized by concealment method (in kg), 2021-2022

Comparing drug seizures by concealment method in 2021 and 2022, significant trends emerge regarding the number of cases and the weight of the seized drugs. Looking at the number of seizures, In mail is the predominant category in concealment, which amounts to 69.57% in 2021 and 58.04% in 2022. Taking into account the low volumes transported in In mail, this category totalled seizures of 120,558.85 kilogrammes (participation of 7.24%) in 2021 and 81,519.11 kilogrammes (participation of 8.64%) in 2022.

When analysing the weight of the seized drugs, the concealment method that experienced the most substantial decrease was In baggage. There was a decline of 66.45% in drug seizures in this category, from 92,205.35 in 2021 to 30,936.19 kilogrammes in 2022. Similarly, the On the person concealment method saw a significant reduction, with drug seizures decreasing by 79.22% from 47,080.92 kilogrammes in 2021 to 9,781.51 kilogrammes in 2022.

Alternatively, the concealment method that showed the most substantial increase in drug seizures regarding weight was On premises. Seizures in this category increased by 28.75%, from 22,451.68 kilogrammes in 2021 to 28,905.57 kilogrammes in 2022. This increase may indicate successful enforcement operations targeting drug storage locations, improved intelligence gathering, and collaborative efforts to disrupt illicit drug operations.

Figure 14: Drugs seized by conveyance method (in cases), 2021-2022

Finally, another noticeable decrease in cases was observed in the On the person concealment method, with a decline of 30.40% from 2,530 cases in 2021 to 1,761 cases in 2022.

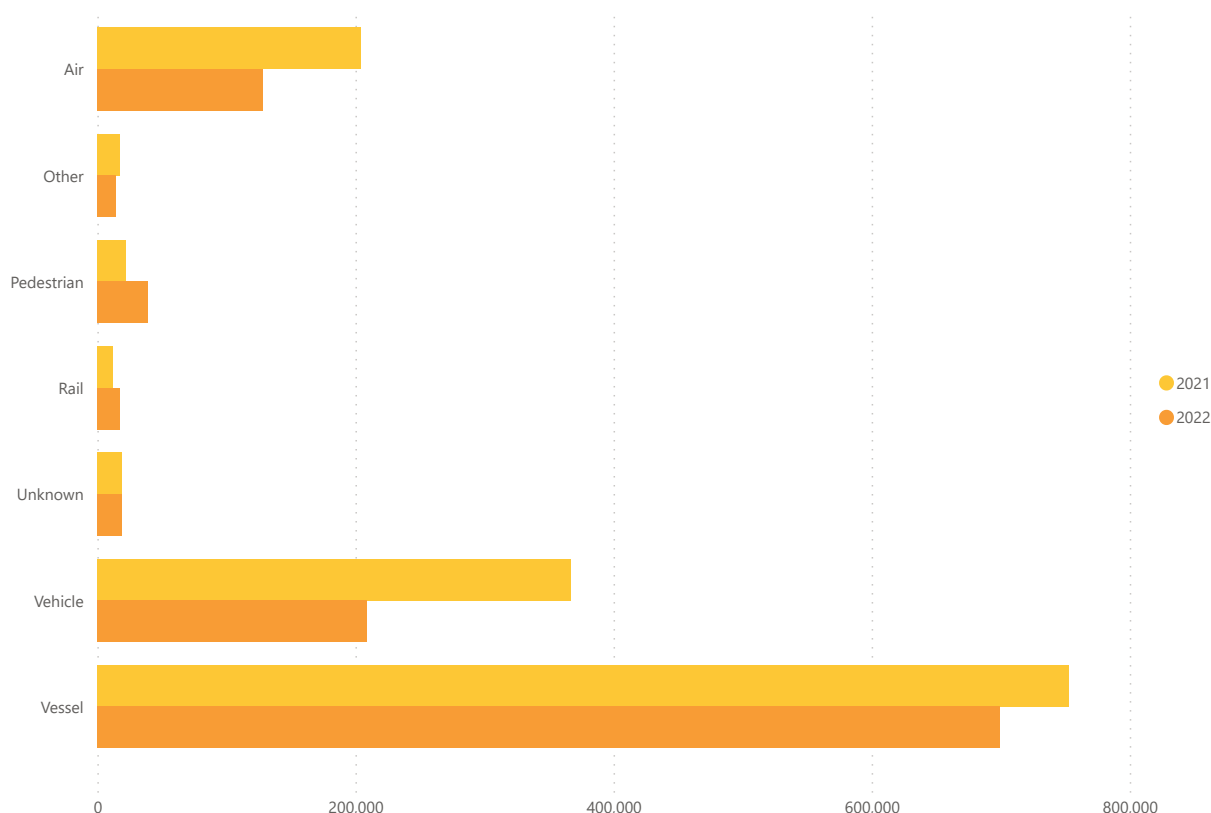
When comparing drug seizures by conveyance method in 2021 and 2022, the method that experienced the most significant decrease was air, with a decline of 47.80% from 57,915 cases in 2021 to 30,234 cases in 2022. Another noteworthy decrease was observed in the vehicle category, which saw a decline of 50.33% from 12,573 cases in 2021 to 6,245 cases in 2022.

When looking at the weight of the seized drugs, the conveyance method that experienced the most significant decrease was also air, with a decline of 37.29% from 204,483.75 kilogrammes in 2021 to 128,232.76 kilogrammes in 2022.

Similarly, the vehicle method witnessed a substantial decrease of 42.99% in drug seizures by weight, from 366,609.75 kilogrammes in 2021 to 208,996.31 kilogrammes in 2022.

Instead, the conveyance method that saw a notable increase in the weight of seized drugs was pedestrian, with a significant rise of 73.47% from 22,459.85 kilogrammes in 2021 to 38,962.09 kilogrammes in 2022. It is crucial to note that although the number of pedestrian cases decreased (30.03%), the weight seized increased. It can be inferred that the new traffic trends would favour heavier individual shipments.

Figure 15: Drugs seized by conveyance method (in kilogrammes), 2021-2022

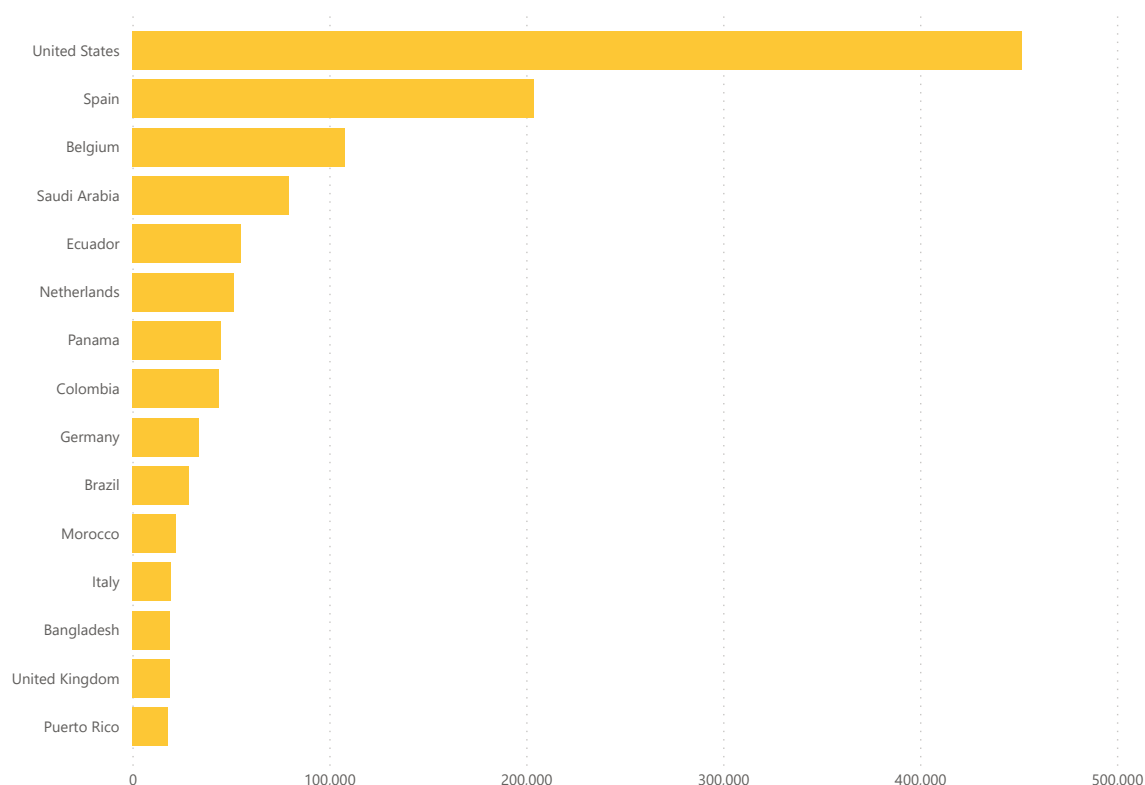


When comparing the 2021 and 2022 drug seizures in kilogrammes by country and Customs procedure, we can observe some trends in the top 15 countries.

Firstly, Colombia showed a significant increase in drug seizures from 44,121.72 kilogrammes in 2021 to 132,665.22 kilogrammes in 2022, becoming the country with the highest seizures in 2022, mainly in the flow of exports. This increase can be explained by the country's efforts to fight drug trafficking and organised crime, including strengthening border control measures and inter-agency cooperation.

Secondly, the United States saw a considerable decrease in drug seizures from 451,712.27 kilogrammes in 2021 to 131,449.72 kilogrammes in 2022, indicating a significant decline, which could be attributed mainly to the decrease in imports flow from 411,838.28 to 119,477.85 kilogrammes.

Thirdly, Spain remained in the top three countries with the highest drug seizures, with a decrease from 203,773.14 kilogrammes in 2021 to 128,757.22 kilogrammes in 2022. This trend can be explained by Spain's strategic position as the gateway to the European continent and its historical ties with the primary Latin American cocaine producers.

Figure 16: Top 15 countries reporting the most significant drugs seizures in kilogrammes, 2021

Belgium also remained in the top four countries with the highest drug seizures but with an increment from 108,110.31 kilogrammes in 2021 to 120,931.23 kilogrammes in 2022, and Ecuador saw an increase in drug seizures from 55,111.00 kilogrammes in 2021 to 76,433.92 kilogrammes in 2022.

Among the top five countries with the highest drug seizures in 2021, Saudi Arabia decreased from 79,490.82 to 55,434.57 kilogrammes in 2022.

Finally, some countries, such as Puerto Rico, Bangladesh, and Germany, were in the top 15 in 2021 but no longer included in 2022. Otherwise, some countries, such as Hong Kong, China, Türkiye, and India, were not in the top 15 in 2021 but made it to the list in 2022.

Current trends in drug trafficking

Over the past years, the use of digital platforms for drug smuggling has grown rapidly in line with the exponential growth of e-commerce, representing a significant part of the economy. According to the United Nations Conference on Trade and Development (UNCTAD), the global value of e-commerce sales reached almost USD 26.7 trillion in 2019, corresponding to about 30% of GDP. In 2021, retail e-commerce sales amounted to approximately USD 4.9 trillion worldwide. This

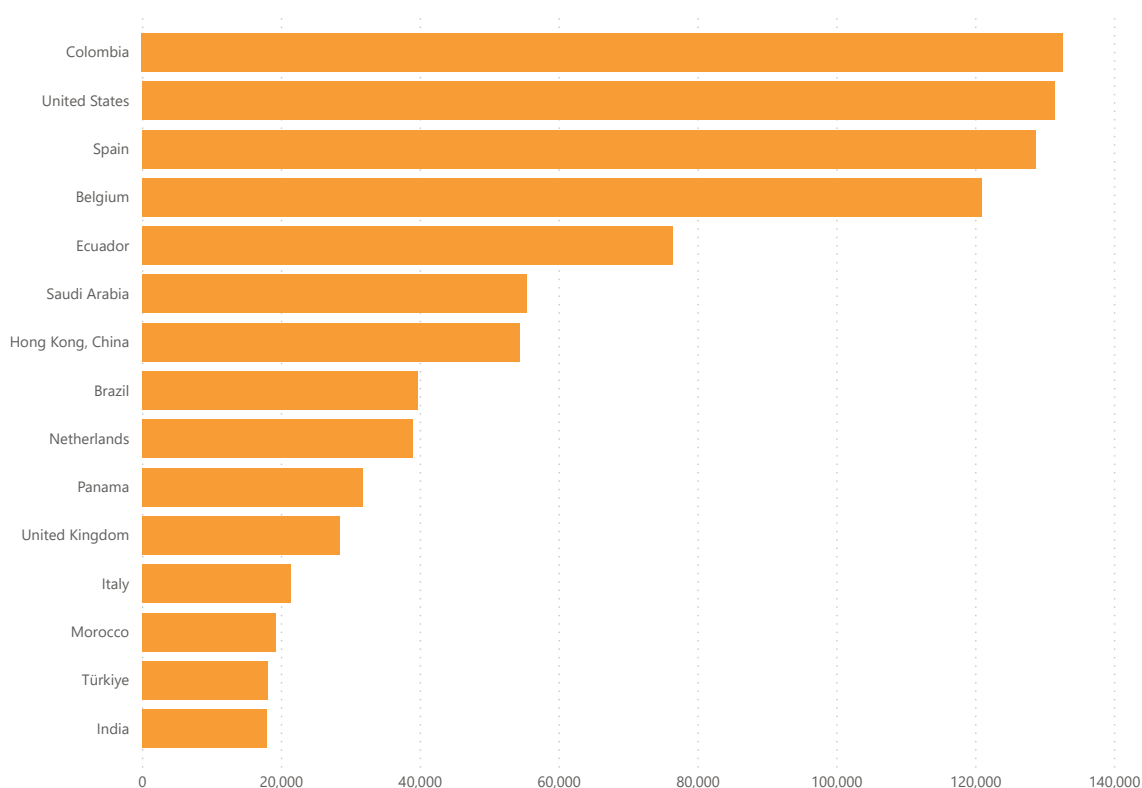
Figure 17: Top 15 countries reporting the most significant drugs seizures in kilogrammes, 2022

figure is forecast to grow by 50 per cent over the next four years, reaching about 7.4 trillion dollars by 2025.³ The e-commerce market is peculiar. Supply chains in e-commerce often consist of many small traders, and frequent changes in business relationships are common. Besides the legal uses and purposes of e-commerce and digital platforms, also the sale and distribution of illicit drugs via the e-commerce channels were exploited by drug traffickers. The clandestine nature of these illegal transactions, coupled with the anonymity offered by the internet, has created an environment where the illicit drug trade can flourish, often operating beyond traditional enforcement methods.

This Report presents special sections on the use of digital platforms and the e-commerce channel for drug trafficking.

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DIGITAL PLATFORMS

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The cyberspace is increasingly becoming an essential part of our daily lives. As of April 2022, more than 5 billion people were using it worldwide,⁴ and these numbers will inevitably continue to grow. Organized Crime Groups (OCGs) have adapted well to the new circumstances and successfully exploited the cyberspace for trafficking drugs. The digital world offers them easy and regular access, simplicity, pseudonymity, fast connections and low costs.

The cyberspace is accessible and available 24/7. With a device and a stable Internet connection, numerous services are ready for use, even for free. With many user-friendly platforms and applications, browsing and carrying out transactions is easier than ever. In addition, the cyberspace grants a near-anonymous state to users, being able to hide behind fake accounts and IP addresses.

Through the net, fast connections can be easily made, either to reach out to other criminals worldwide, broadening their network and cooperating internationally, or to expand the customer base. For instance, in Latin America and the Caribbean, OCGs order precursors from Asia to elaborate synthetic drugs and then dispatch the final products to clients worldwide via air or sea, commonly through international mail services.⁵

Besides, operating in digital environments has lower costs, as to the individual risk, reducing their physical exposure, as to financial benefits, since they do not need as many members and intermediaries as before. Besides, online services and transactions are often without charge or low-priced.

OCGs use the dark web and surface web, the latter recently reported as the most widely used, ahead of the dark web.⁶ Acting in the dark web and darknet demands more knowledge, among others, on computer science and data encryption. In this way, the surface web and clearnet enable access to the business to a more significant number of offenders, rather than only influential and notorious OCGs, while also opening the doors to new clients, people who did not use drugs before may now do so.⁷

It is important to point out that drug sales in the digital world can refer to both illegal narcotics and controlled substances. Indeed, pharmaceutical products are advertised on the net, with more individuals searching online as prices are frequently lower and certain substances are not present in their local drugstore. However, this entails considerable risk for consumers, as not all products are legitimate, for example encountering pills without active ingredients or containing dangerous substances.⁸

Drug traffickers, thereby, are making use of the endless possibilities of the online world to traffic illicit substances, taking advantage of social media platforms, videogames, open forums, dating and messaging apps available on the surface web to make known and sell their products as well as recruit drug mules and new members.

The social media platforms most used by drug traffickers are Facebook, Instagram, Snapchat, TikTok, Twitter and YouTube, among others.⁹ To avoid the attention of police forces, they use specific images and emojis or utilize keywords and hashtags similar to the product, which the consumers can identify. Once the platform moderators or law enforcement agencies remove these pictures or tags, new ones appear, making the fight against drug sales online very difficult.¹⁰

Regarding open forums and dating apps, Reddit, Grindr, and Tinder are generally used.¹¹ Videogames and game networks, besides their legal purposes, serve not only for selling drugs, as evidenced by a case the United States Federal Bureau of Investigation (FBI) has been investigating in connection with the PlayStation Network,¹² but also for recruiting individuals. For example, there have been cases of teenagers contacted through Fortnite and Grand Theft Auto Online. Drug dealers offer them in-game currency or substantial amounts of money for moving, watching or storing their illicit substances, as well as promises of money, action and excitement.^{13 14} It is a recruitment that takes place out of sight of law enforcement and leads individuals to start a criminal career at a very young age.

After the criminals and the customer/recruit have made contact through social networking platforms, open forums, videogames, etc., they pass to messaging apps, mainly Telegram, WhatsApp and Signal.¹⁵

Once an agreement has been reached, drug traffickers employ online payment services. They can request payment through apps such as Venmo, Zelle, Cash App, Remitly and Paypal, and are also increasingly relying on cryptocurrencies like Bitcoin and privacy coins.^{16 17} The latter represents a severe challenge to law enforcement since they are well encrypted, preserving anonymity, and thereby very hard to trace to their source. Furthermore, these digital payments grant sellers and buyers the possibility of not carrying cash with them, decreasing their vulnerability in the street and eliminating possible evidence in the case of an arrest.¹⁸ However, it is worth mentioning that non-digital payments continue to take place for online drug purchases, e.g. Western Union and MoneyGram.¹⁹

Lastly, it should be noted that drug dealers are not the only criminals using the surface web and the platforms mentioned above. Many other crimes are now enabled on the Internet, such as human trafficking, terrorism or money laundering.

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E-COMMERCE – DRUGS IN MAIL AND COURIER SHIPMENTS

Over the past decades, the growing trade in E-commerce in physical goods has generated enormous opportunities for the global economy, providing new growth engines, entailing the development of new business models, driving new consumption trends and creating new jobs.

In 2021, retail e-commerce sales amounted to approximately USD 4.9 trillion worldwide. This figure is forecast to grow by 50 per cent over the next four years, reaching about 7.4 trillion dollars by 2025.²⁰

At the same time, as front-line officials, Customs must facilitate trade and enforce illicit activities such as smuggling drugs and other illicit goods. Customs administrations' cooperation with other relevant agencies is essential for identifying and preventing illicit and non-compliant goods moving through E-Commerce channels.

In recent years, restrictions on international trade during the COVID-19 pandemic led to a sharp decline in international passengers. Movement restrictions within countries have also hindered illicit drug activities at the street level. However, Internet orders of drugs delivered by mail continued to be available during the pandemic. It seems that people who use drugs increasingly access the Internet to overcome the effects of street control, and drug delivery by mail has become more popular.

Generally, the e-commerce market is peculiar, and the supply chains in e-commerce often consist of many small traders and frequent changes in business relationships are common. Over the past few years, the use of mail and parcel services to smuggle drugs has expanded rapidly. Although the quantity shipped through these means is still limited compared with other forms of transportation, their use has been increasing, and the number of seizure cases remains high. The increasing trend for shopping online is also associated with an increase in parcel deliveries, and such an increase in delivery volumes makes systematic controls of all parcels challenging.

This trend presents an opportunity for drug traffickers to expand their use of this medium for delivering drugs. In particular, there has been a growth in online drug purchases, which exploited the mail channel. Due to their potency, international shipments of drugs are frequently trafficked in small amounts and disguised using ever more creative methods to avoid detection. For this reason, the mail channel can easily be abused by the traffickers.

Data from the Customs Enforcement Network (CEN) and the WCO Illicit Trade Reports reveals that mail consignments are the most common concealment for illicit trade in certain commodities. For instance, the CEN visualization tool shows that around 57% of drug seizures are done by mail. According to the Illicit Trade Report 2019, only around 48% of the overall drug cases were detected in the mail channel. Those figures show that the use of the mail channel for drug smuggling has multiplied in line with the exponential growth of e-commerce for 2021 and 2022. In fact, the In mail concealment method represented 69.57% and 58.04% of the seizure cases, respectively.

Source:

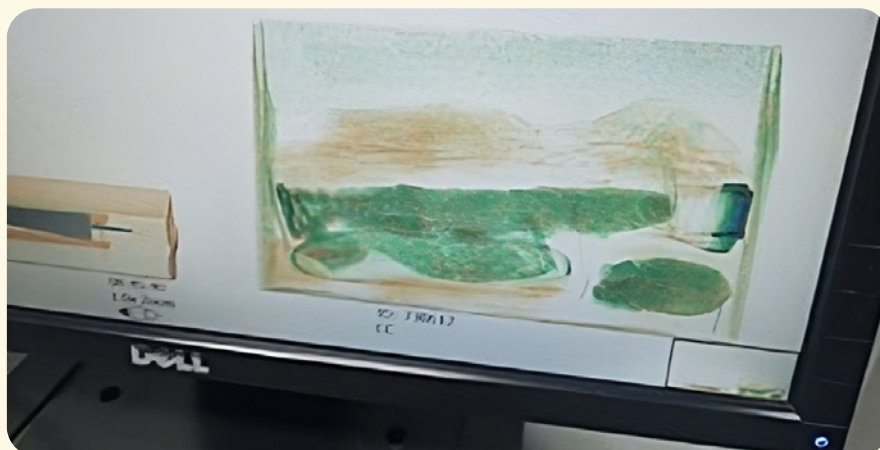
²⁰ <https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/>

Case study 1

MDMA SEIZURE BY THE BELGIAN CUSTOMS

On 7 June 2022, Belgian Customs detected almost 5 kilogrammes of raw MDMA in a courier shipment sent from a fake address in Belgium to a private address in Pereira, Colombia. The shipment was declared as “sculpture, clothes” with a total value of € 40. The three sculptures (a cat, a garden gnome and a skull) were made from raw MDMA and covered with paint.

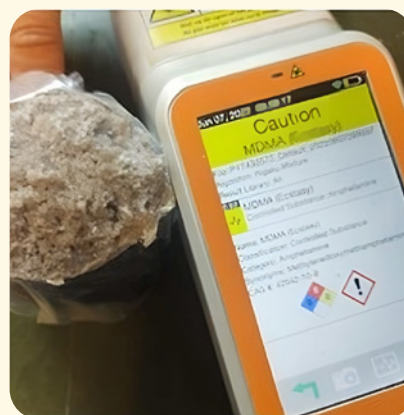
Source: Belgian Customs Airport News,
Drugs 72/2022, Brussels Airport.



Source: Belgian Customs Airport News,
Drugs 72/2022, Brussels Airport.



Source: Belgian Customs Airport News, Drugs
72/2022, Brussels Airport.

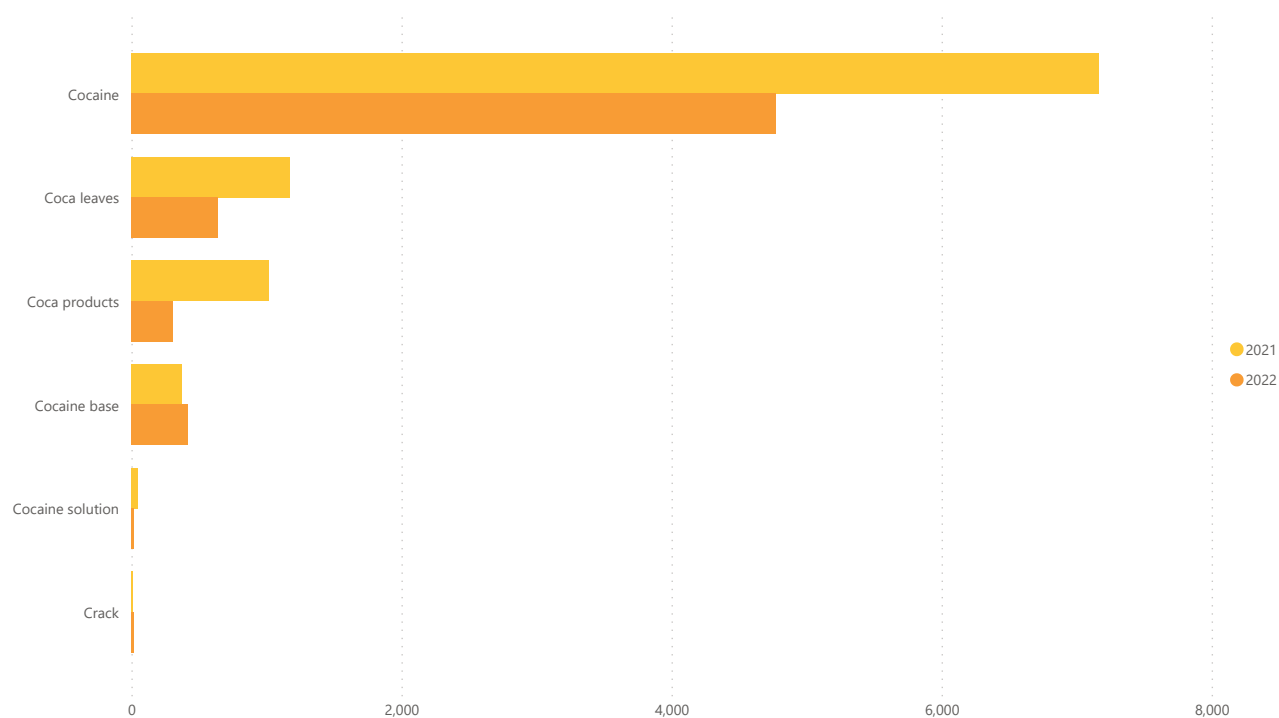


Source: Belgian Customs Airport News, Drugs
72/2022, Brussels Airport.

2. Trends in drugs trafficking by category

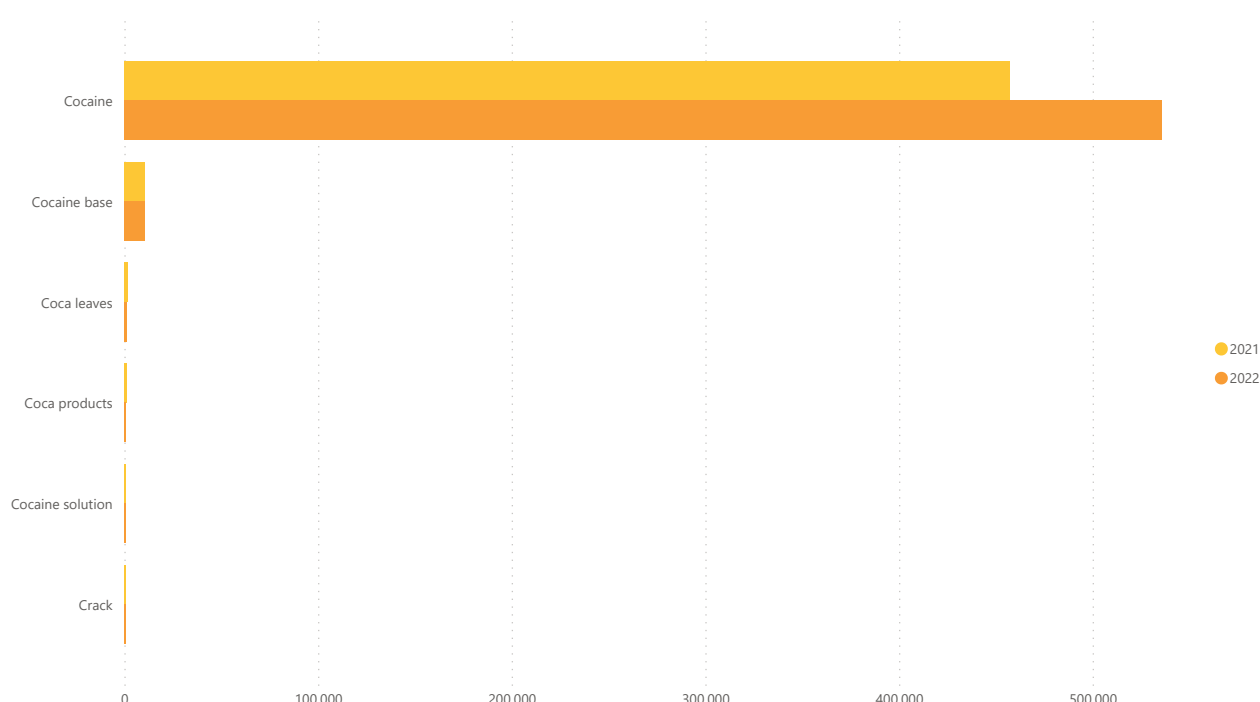
2.1 Cocaine

Figure 18: Quantity of cocaine seized by category (in cases), 2021-2022



Cocaine is the dominant drug in the world. However, there has been a significant decrease in the number of cases of cocaine seizures in 2022 compared to 2021, with a reduction of 36.96%. Seizures of coca leaves and coca products have decreased by 45.66% and 70.20%, respectively, while there has been a reduction of 33.40% in cocaine seizures. However, there has been an increase of 12.67% in seizures of cocaine base and a substantial increase of 88.89% in seizures of crack based on the available data in CEN.

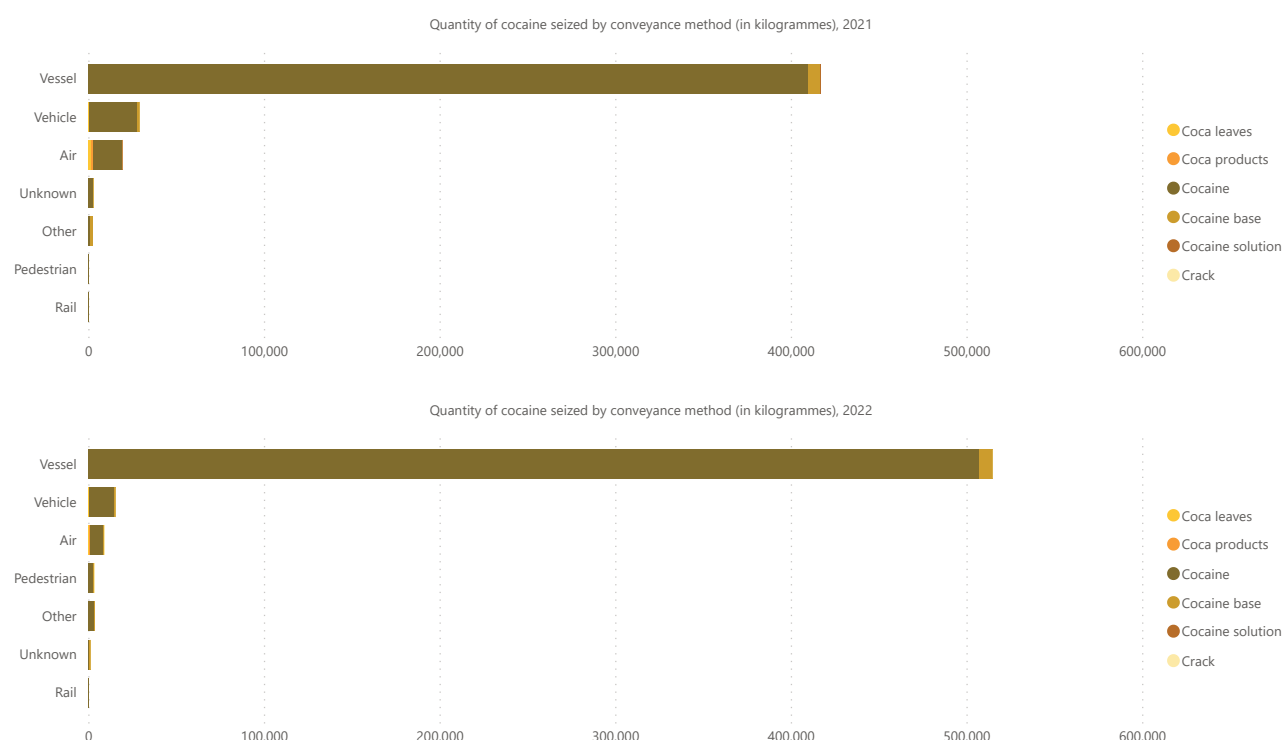
Figure 19: Quantity of cocaine seized by category (in kilogrammes), 2021-2022



Regarding the amount of cocaine seized, there has been an overall increase of 16.23% in 2022 compared to 2021. There has been an increase of 17.13% in seizures of cocaine and an increase of 2.41% in seizures of cocaine base. In contrast, seizures of coca leaves and coca products have decreased by 41.05% and 65.17%, respectively, and seizures of cocaine solution have decreased by 87.67%.

Since seizures fell in number but increased in weight, it could be inferred that criminals are considering larger cocaine shipments. Increased crack seizures could result from its relatively low cost, high purity, and greater availability. Alternatively, reducing seizures of coca leaves and coca products might indicate a shift in focus towards more processed cocaine products. Moreover, the decline in cocaine solution seizures may suggest a preference for other forms of cocaine that are more refined and potent.

Figure 20: Quantity of cocaine seized by conveyance method (in kilogrammes), 2021-2022



Cocaine transported by vessel is the conveyance method and category product most significant among all the sub-products from cocaine, with a percentage of 86.87% (409,831.74 kilogrammes) in 2021 and 92.51% (507,238.25 kilogrammes) in 2022 (an increase of 23.77%). This category is followed by the combination Cocaine-Vehicle with 5.76% in 2021 and 2.63% in 2022. Next, Cocaine -Air represented 3.45% in 2021 and 1.42% in 2022.

Though low volumes, some categories experienced significant changes between 2021 and 2022: Cocaine-Pedestrian increase from 43.14 to 2,450.77 kilogrammes (variation 5,580.45%), and Cocaine-Rail from 13.26 to 431.25 kilogrammes (variation 3,152.21%). On the contrary, Coca products-Air seizures decreased 75.80% from 1,286.48 kilogrammes in 2021 to 311.30 kilogrammes in 2022.

Case study 2

COCAINE SEIZURE BY THE FRENCH CUSTOMS

On Thursday, May 26, 2022, the Customs Coast Guard Service (CCGS) Channel North Sea seized more than 124 kilos of cocaine under a cargo ship in the waiting area of the port of La Rochelle. Customs divers discovered the drugs in an underwater cavity of the hull located 12 meters deep. Three dives were necessary to extract and bring up the drugs.

Courtesy: French Customs

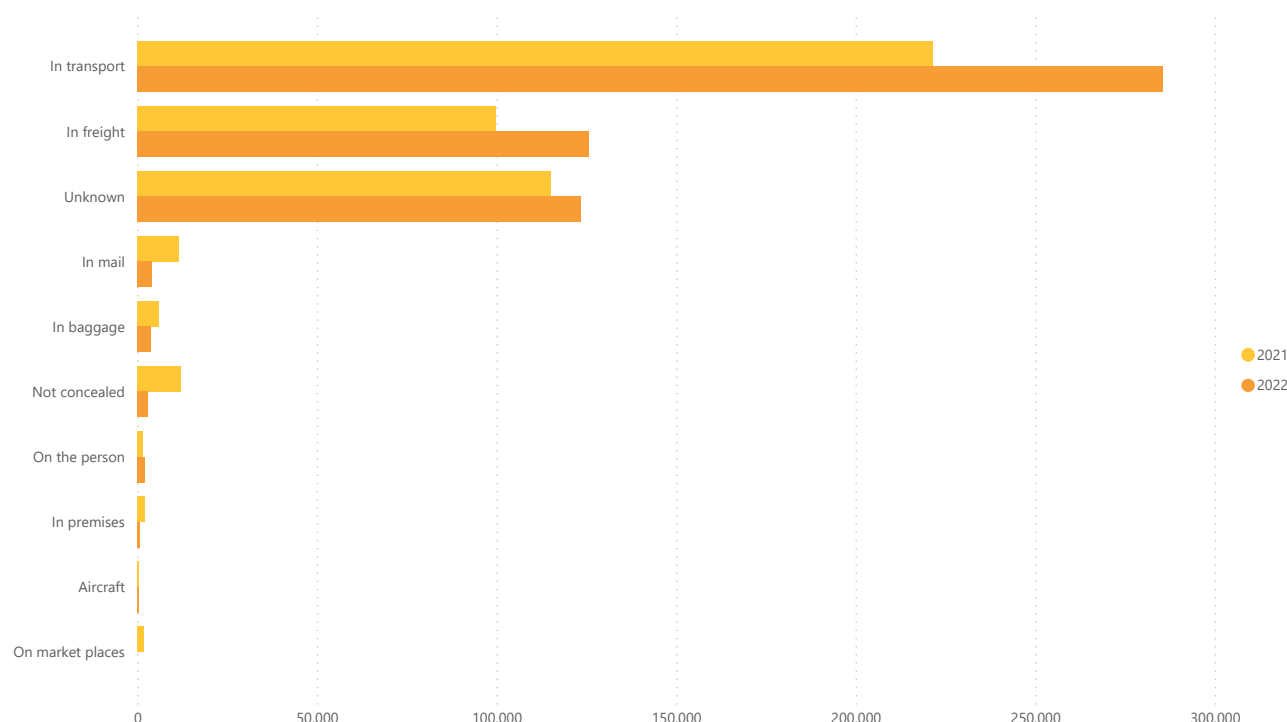


Courtesy: French Customs



Courtesy: French Customs

Figure 21: Quantity of cocaine seized by concealment method (in kilogrammes), 2021-2022



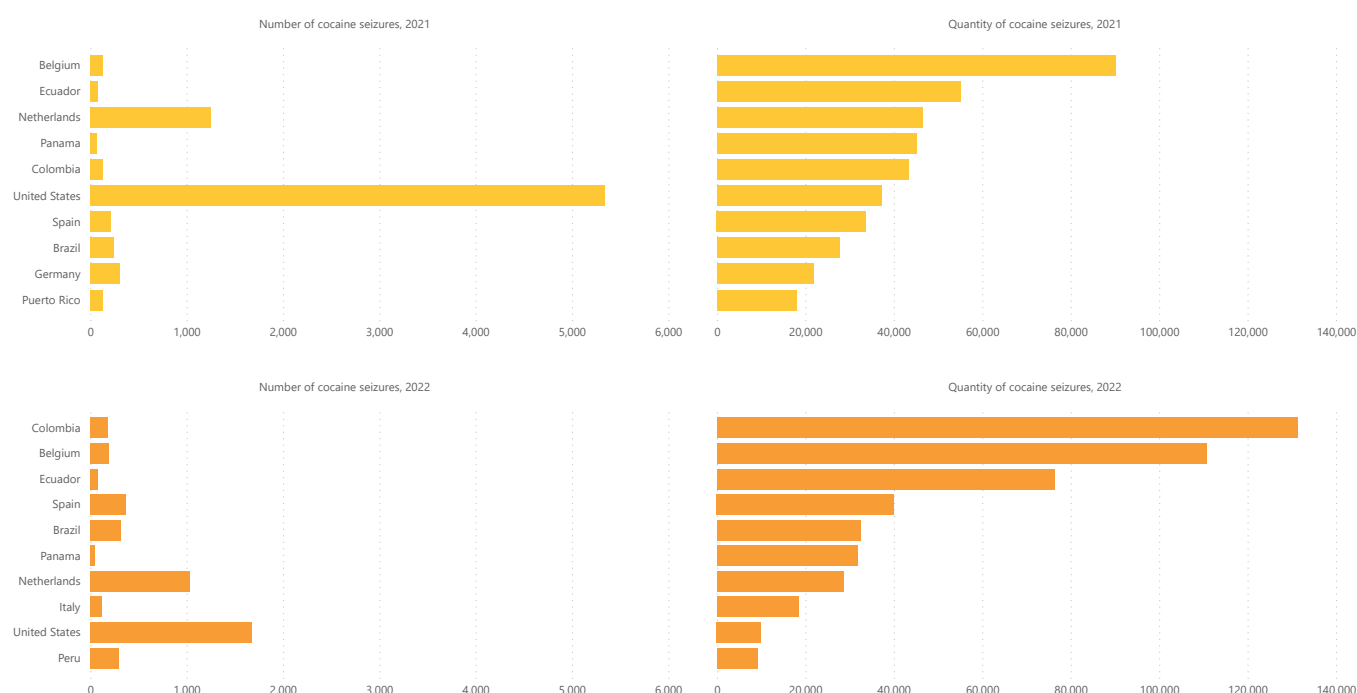
When comparing the 2021 and 2022 cocaine seizures by concealment category, there were decreases in some categories and increases in others, indicating that drug traffickers are constantly adapting their methods to evade detection by Customs authorities.

There was a significant decrease in cocaine seized in the Not Concealed category, which decreased by 76.68% in 2022. There was also a substantial decrease of 65.25% in cocaine seized in the In Mail category in 2022.

Contrarywise, there was also an increase in cocaine seized in the In Transport category, with an increase of 28.95% in 2022. This concealment method had participation of 52.07% in cocaine seizures in 2022. Similarly, there was a significant increase in the amount of cocaine seized in the In Freight category, with an increase of 26.19% in 2022. This trend could be attributed to increased drug trafficking through commercial shipping more frequently as trade routes are re-established after the COVID-19 pandemic, a popular method for drug traffickers to smuggle large quantities of drugs across borders.

Comparing the 2021 and 2022 cocaine seizures by country, several significant trends can be seen. There is a shift in the top countries from which cocaine is seized, with Colombia and Belgium taking the top two spots in 2022, while Belgium and Ecuador were leading in 2021.

Figure 22: Top 10 countries by number of cocaine seizures and quantity seized (in kilogrammes), 2021-2022



Comparing specific countries, Colombia substantially increased, more than tripling from 43,229 kilogrammes in 2021 to 131,212.48 kilogrammes in 2022. This growth is likely due to increased drug production and trafficking in Colombia. Belgium also saw a significant increase, rising from 90,202.89 kilogrammes in 2021 to 110,671.64 kilogrammes in 2022, suggesting that it remains a crucial entry point for cocaine to Europe.

By contrast, seizures in some other countries decreased, such as in the United States, which decreased 73.3% from 37,235.58 kg in 2021 to 9,964.64 kg in 2022. This significant change could result from a shift in trafficking routes.

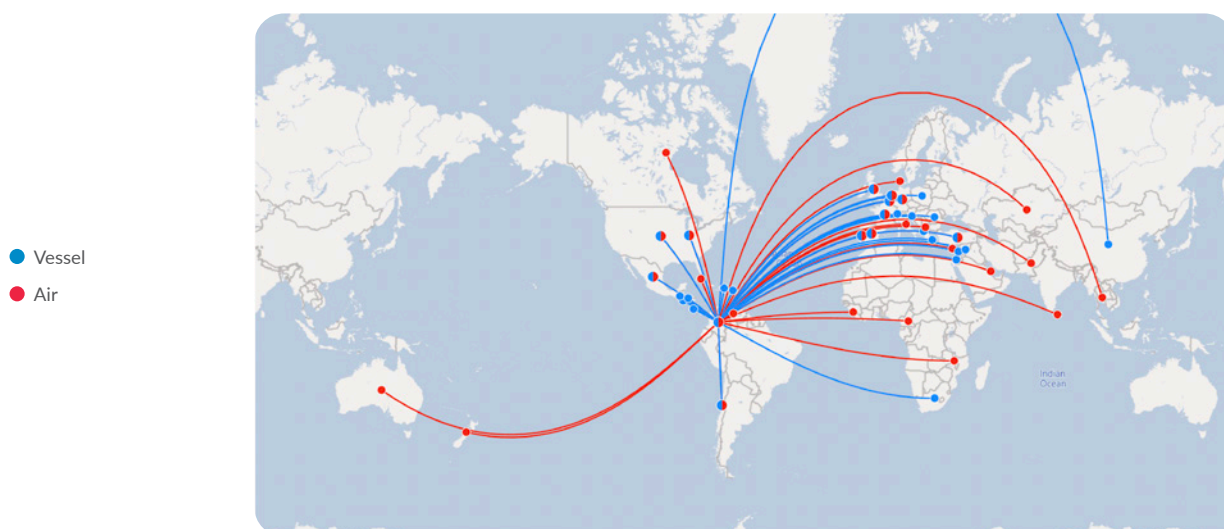
There were also some changes in the top countries regarding seizure cases. Spain saw a significant increase in seizure cases, rising from 210 in 2021 to 365 in 2022. Meanwhile, the United States saw a significant decrease in seizure cases, dropping from 5,337 in 2021 to 1,676 in 2022.

Concerning seized volumes in 2021, Germany and Puerto Rico were among the top 10, but not in 2022. The Netherlands and Peru replaced them. The rest of the countries remained in the top 10. They only changed their positions.

COCAINE ROUTES FROM COLOMBIA

Based on CEN statistics, Colombia registered the highest cocaine seizures in kilogrammes in 2022 worldwide. European countries, such as Belgium, France, Germany, Italy, the Netherlands, Portugal, Slovenia, Spain, Switzerland, and the United Kingdom, are the leading destinations for Colombian cocaine, totalling 70,234 kilogrammes sent to these countries. Other significant destinations include Australia, Canada, China, Mexico, and the United States. Despite international efforts to combat drug trafficking, it seems that cocaine continues to be a lucrative and globalized illicit trade.

Cocaine routes from Colombia



BRAZIL AS A COCAINE TRANSIT POINT

In 2022, trends in the cocaine shipped from Brazil included high volumes destined for Belgium, Germany, Portugal, Spain, and the United Kingdom. These countries serve as significant distribution hubs for the European market. Additionally, smaller quantities of cocaine are trafficked to Asian and African countries such as China, India, Malaysia, and South Africa.

Cocaine routes from Brazil



BELGIUM: AN ENTRY POINT FOR COCAINE DISTRIBUTION THROUGHOUT EUROPE

Belgium can be seen as an important entry point for cocaine in Europe due to its strategic location, well-established ports, and multi-modal transportation infrastructure with the hinterland that allows reaching millions of consumers in a few hours. Cocaine arrives in Belgium mainly from South American countries such as Brazil, Colombia, Ecuador, and Peru, but also from Central America and the Caribbean. The CEN statistics depict a significant increase in the quantity of cocaine arriving in Belgium in 2022, compared to 2021, mainly from Ecuador, which has more than tripled.

Cocaine routes destined for Belgium

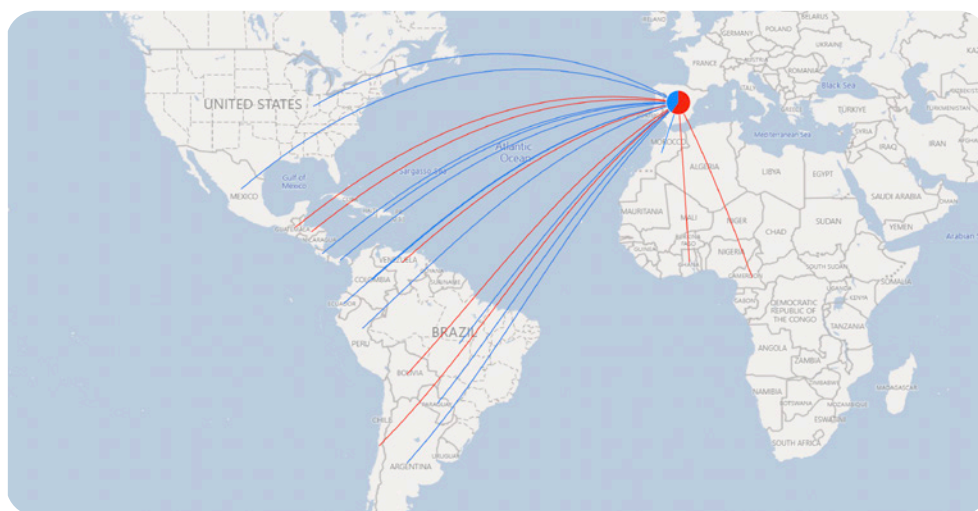


SPAIN: AN ENTRY POINT FOR COCAINE FROM LATIN AMERICA

Spain is a strategic entry point for cocaine distribution throughout Europe due not only to its location and well-developed transport infrastructure but also to its historical roots with the primary cocaine-producing countries, specifically, South American countries such as Colombia, Brazil, and Ecuador, which accounted for most of the cocaine seized in 2022. There has been an increase in cocaine originating from Colombia and Ecuador, while cocaine from Brazil has slightly decreased. In addition, Spain is also a transit point for cocaine originating from other countries in Central America and the Caribbean. Notably, there has been a significant increase in cocaine originating from Panama and the Dominican Republic in 2022.

Cocaine routes destined for Spain

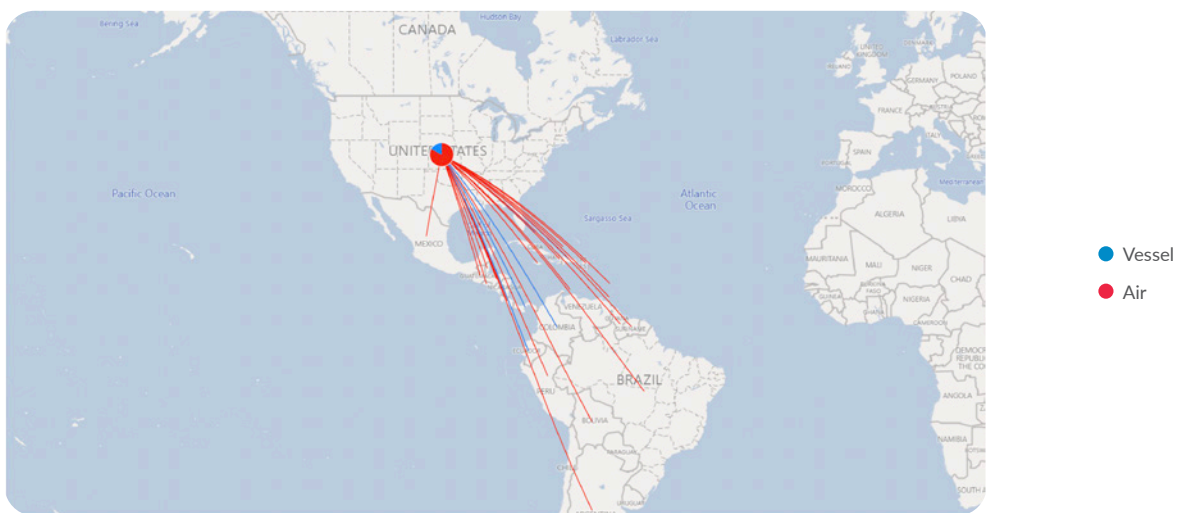
● Vessel
● Air



UNITED STATES: DESTINATION FOR COCAINE FROM ALL THE AMERICAN CONTINENT

CEN statistics indicate that most cocaine destined for the United States originates from the American continent, specifically from Mexico, Dominican Republic, Peru and Colombia in 2022.

Cocaine routes to the United States



Case study 3

COCAINE SEIZURE BY THE BELGIAN CUSTOMS

On October 19, 2022, Belgian Customs inspected some containers and 7,893.34 kilogrammes of cocaine were found hidden in boxes of bananas from Ecuador.

Courtesy: Belgium Customs



2.1 Cannabis

Figure 23: Quantity of cannabis seized by category (in cases), 2021-2022

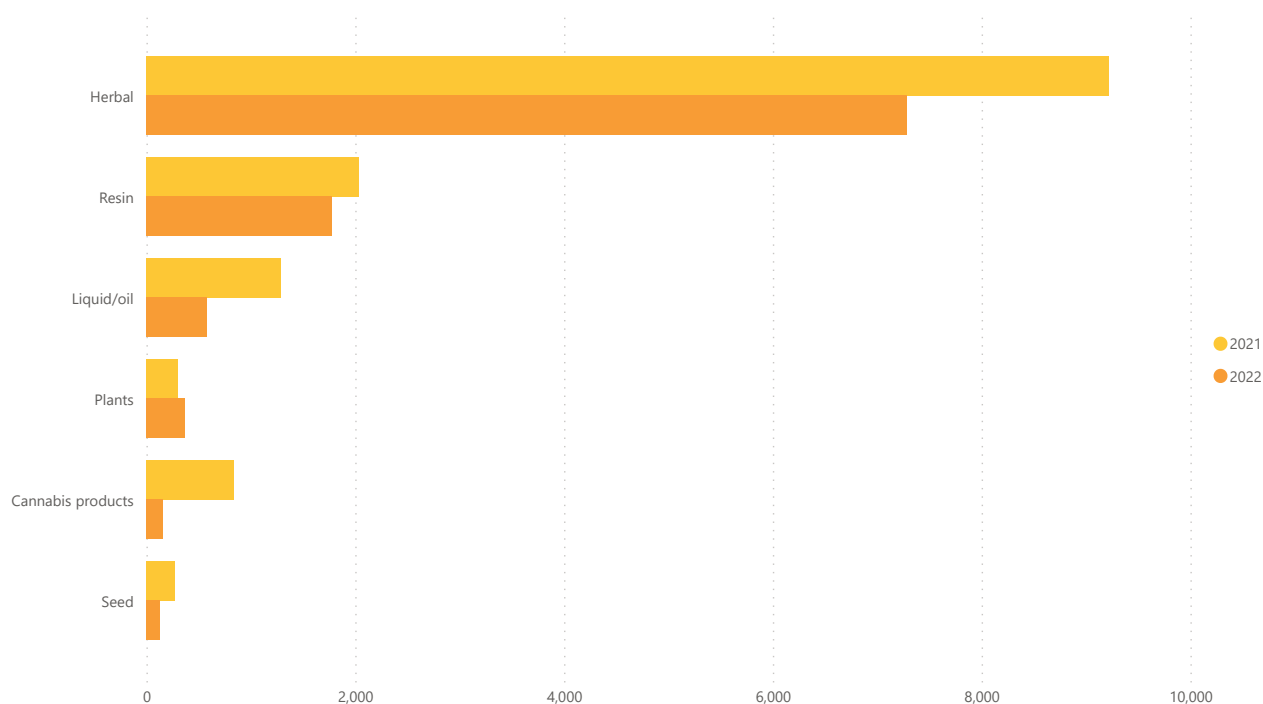
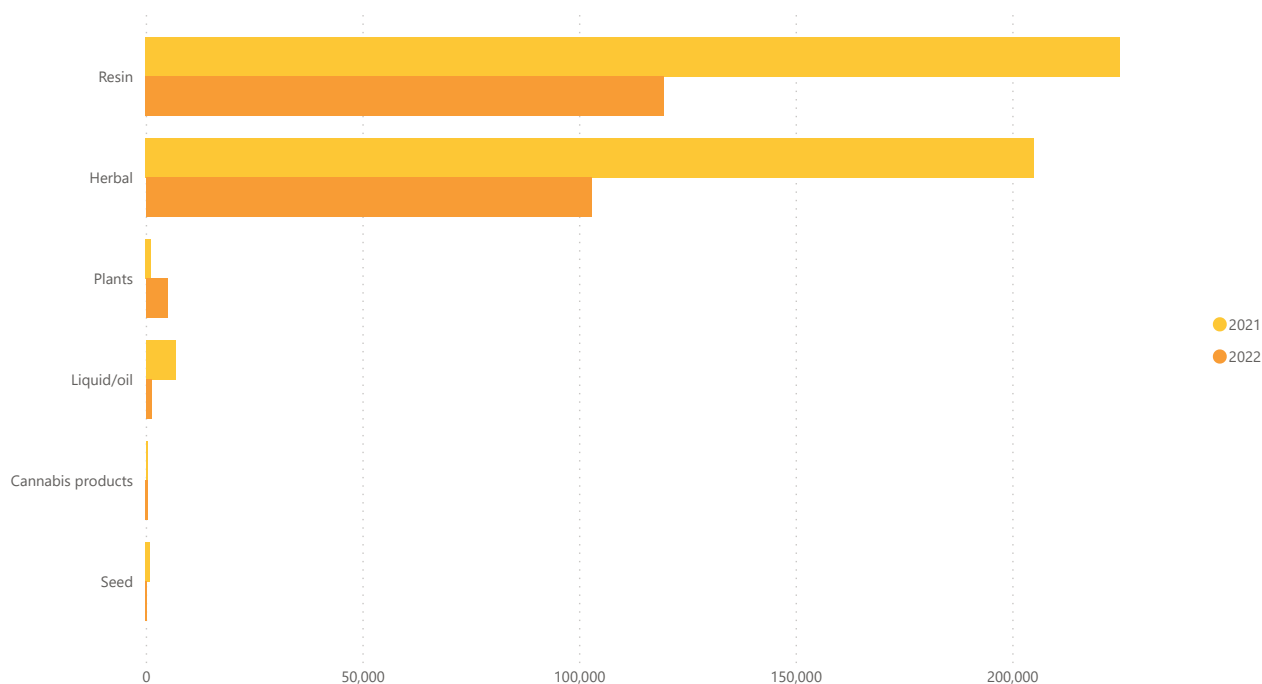


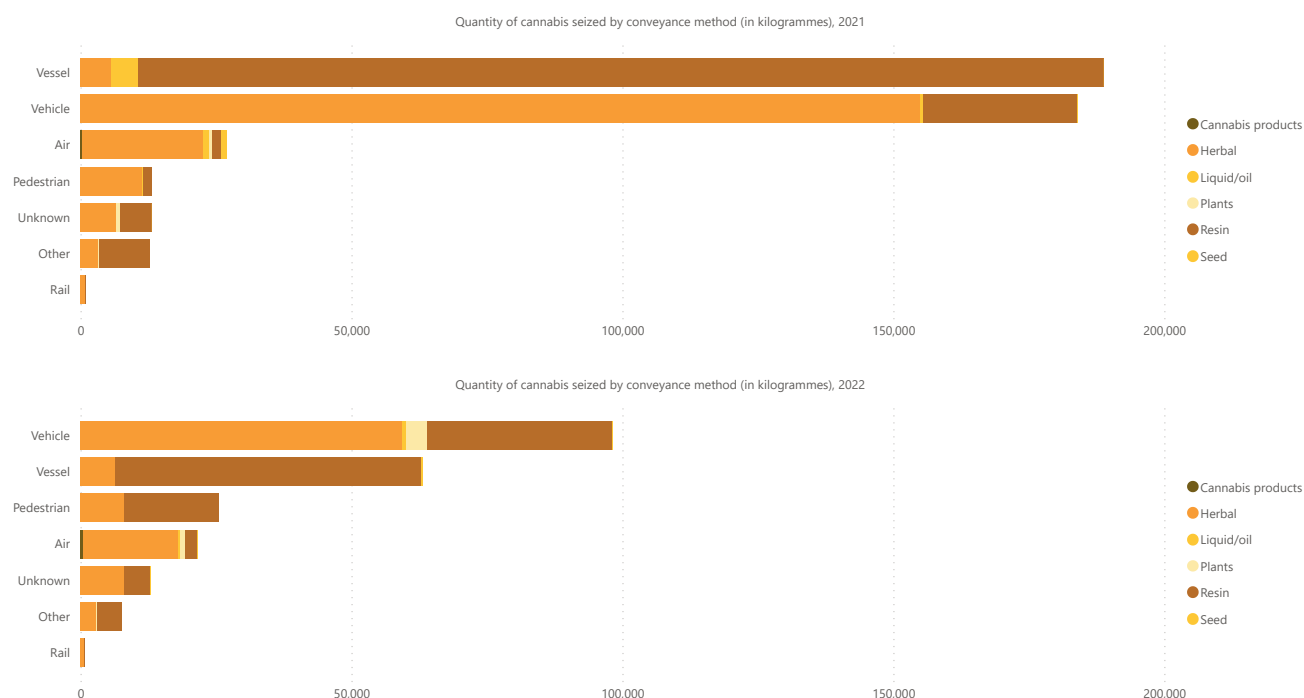
Figure 24: Quantity of cannabis seized by category (in kilogrammes), 2021-2022

The most significant trend in cannabis is the overall decrease: 26.09% in the total number of cases, from 13,944 cases in 2021 to 10,306 cases in 2022, and 47.78% in the total seizure weight, from 439,456 kg in 2021 to 229,485 kg in 2022.

Herbal cannabis continues to be the predominant type of cannabis seized in terms of the number of cases and weight. In 2021, herbal cannabis accounted for 66.09% of the total seizures in cases and 46.66% in kilograms. In 2022, despite a decrease in seizures, herbal cannabis still maintained the highest participation, with 70.69% in cases and 44.82% in kilogrammes.

There was a decrease in the number of seizures and weight of cannabis products and liquid/oil and resin categories in 2022 compared to 2021. On the contrary, seizures of the plant category increased. This increase may suggest a shift towards more traditional and less processed forms of cannabis.

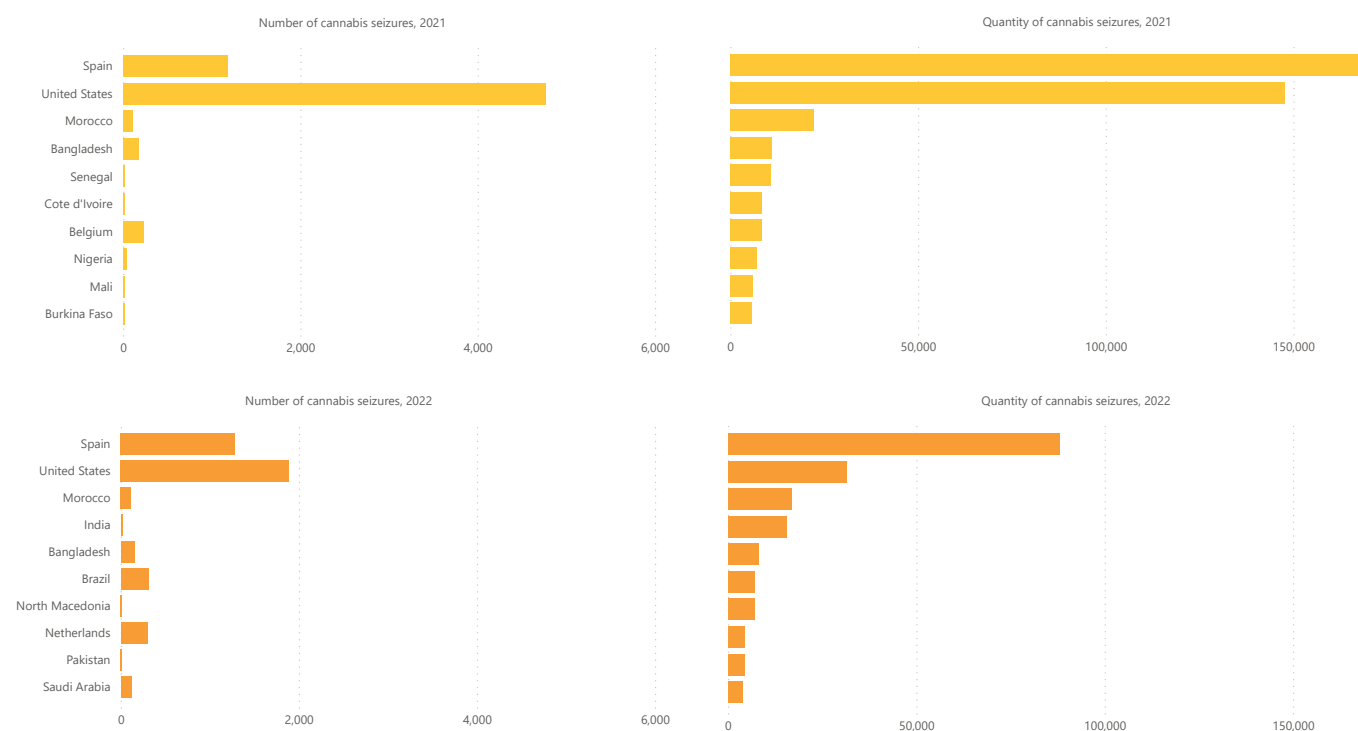
Figure 25: Quantity of cannabis seized by category (in cases), 2021-2022



The most significant trend in the conveyance method in cannabis was observed in the Vehicle category for Herbal and Plants. For Herbal, there was a 61.76% decrease from 154,944.80 kilogrammes in 2021 to 59,256.58 kilogrammes in 2022, while for Plants, there was a staggering 65,945.39% increase from 6.11 kilogrammes in 2021 to 4,032.82 kilogrammes in 2022. Another significant trend lies in the category of liquid/oil cannabis. In contrast, seizures in the Air conveyance method experienced a substantial decrease of 59.86% in 2022.

Finally, there was a significant increase in cannabis seizures transported by rail in the Resin category, which increased by 286.05% from 14.45 kg in 2021 to 55.77 kilogrammes in 2022. The conveyance of cannabis plants showed a significant increase of 117.64% in 2022 compared to 2021, with 946.10 kilogrammes conveyed by air transport.

Figure 26: Top 10 countries by number of cannabis seizures and quantity seized (in kilogrammes), 2021-2022



The data shows a significant decline in cannabis seizures across all top 10 countries from 2021 to 2022. Spain, which had the highest seizures in 2021, saw a decrease of about 48.17% in cannabis seizures, dropping from 169,674.94 to 87,934.43 kilogrammes. Similarly, the United States, which ranked second in 2021, experienced a decrease of 78.63% in cannabis seizures, dropping seizures from 147,808.89 kilogrammes to 31,580.67 kilogrammes. Also, Bangladesh's seizures decreased from 11,140.00 to 8,000.98 kilogrammes.

In contrast, there were some exceptions where seizures increased. India, Brazil, North Macedonia, Netherlands, Pakistan, and Saudi Arabia witnessed an increase in cannabis seizures in 2022. India's seizures rose from 0 to 15,418.55 kilogrammes.

2.2 Khat

Figure 27: Quantity of khat seized by category (in cases), 2021-2022

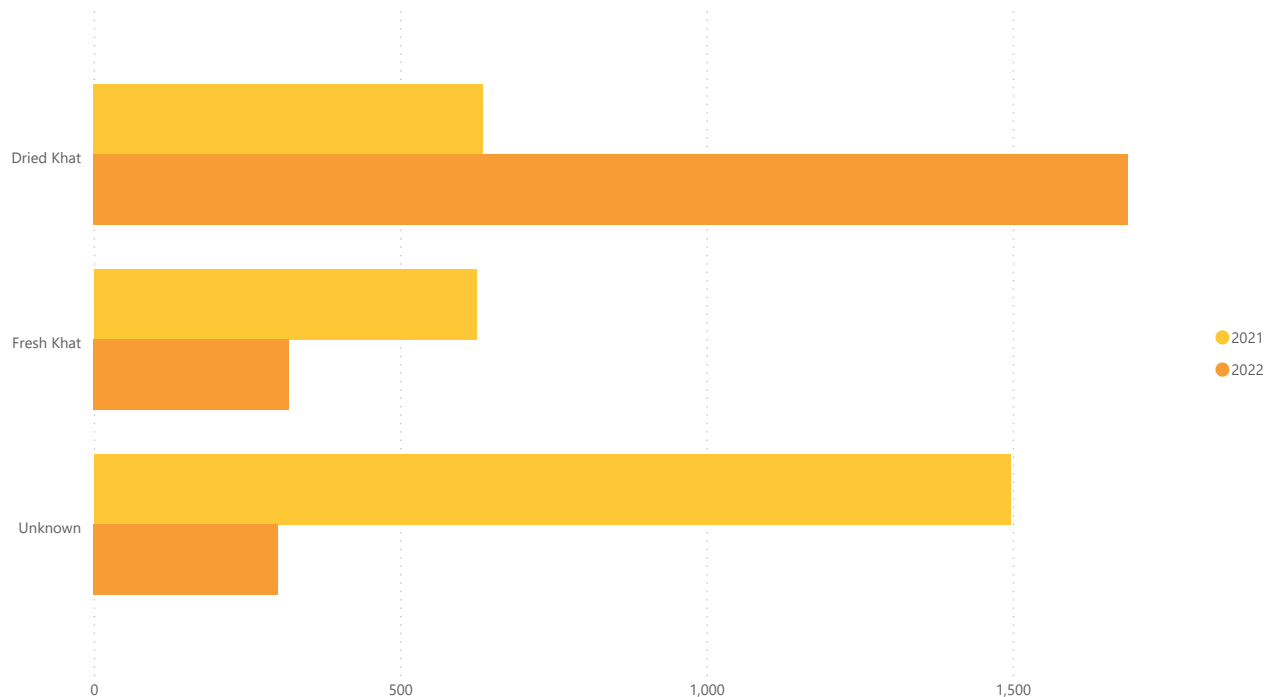
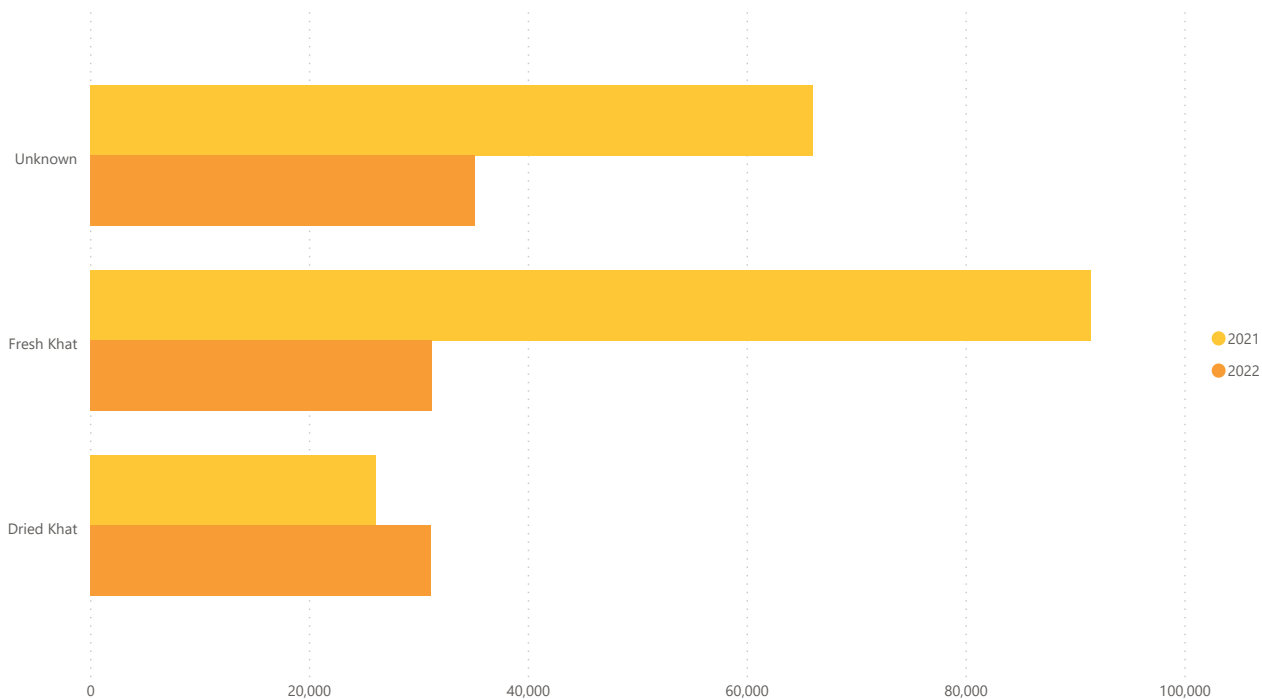
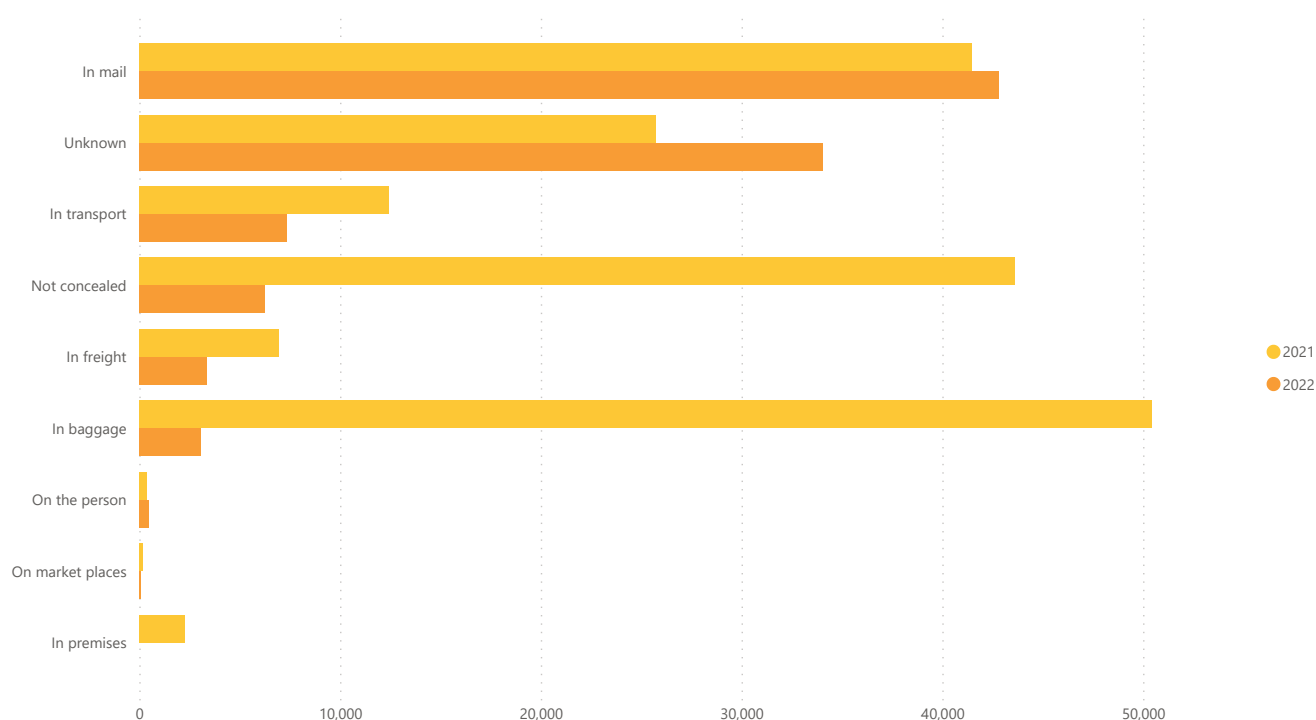


Figure 28: Quantity of khat seized by category (in kilogrammes), 2021-2022



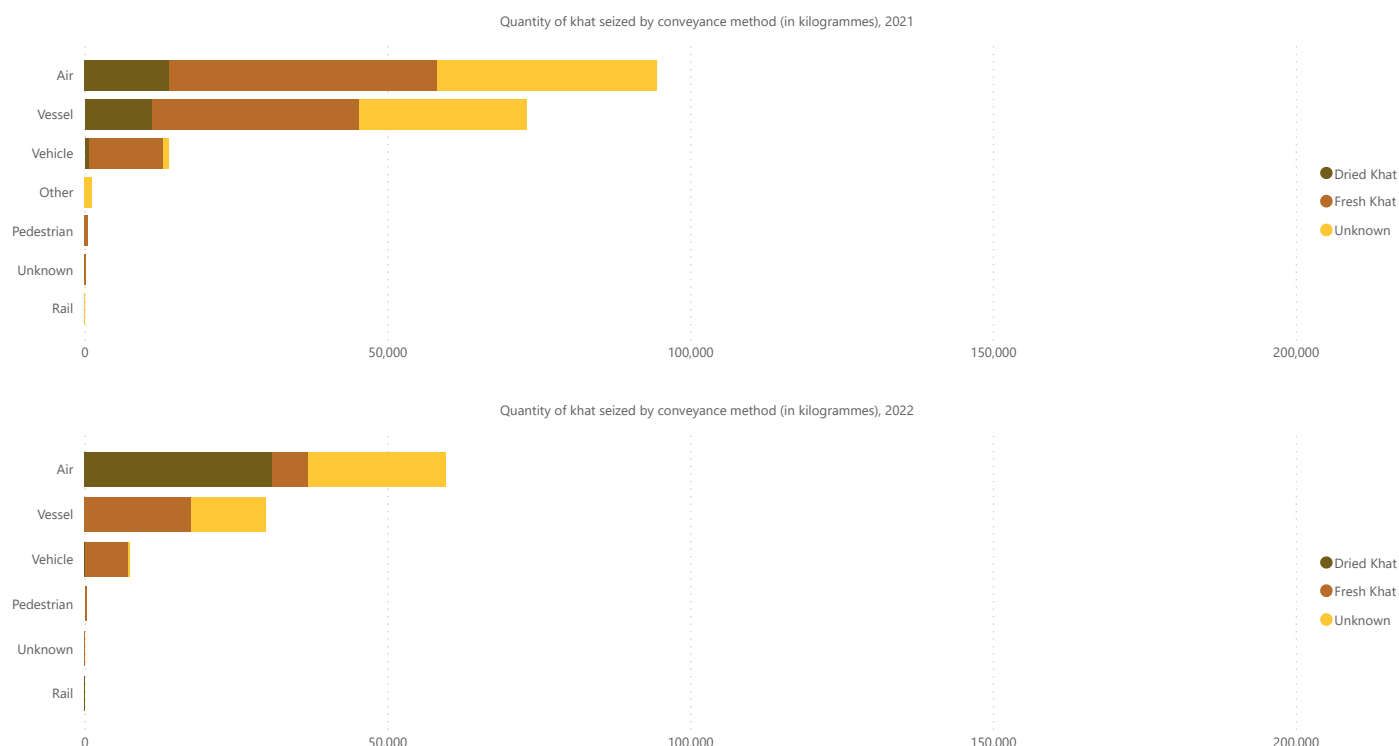
Khat trafficking was reduced by 46.91% between 2021 and 2022. The most striking trend is an apparent shift from fresh to dried presentation. Dried khat seizures increased in both kilogrammes by 19.31% and seizure cases by 5.83%. On the contrary, the decrease in fresh khat seizures was 65.91% in kilogrammes and 48.96% in cases.

Figure 29: Quantity of khat seized by concealment method (in kilogrammes), 2021-2022



In Mail was by far the primary concealment method for khat. Though its volume only increased slightly by 3.21% between 2021 and 2022. In 2022, 42,817.41 kilograms were seized under this method, representing 43.96% of the total volume. Most of the concealment methods decreased in the analysis period. Other significant changes were that the concealment in baggage decreased by a staggering 93.92%, while the concealment in freight decreased by 51.86%. Concealment in transport decreased by 41.10%, while not concealed seizures decreased by 85.72%. Conversely, concealment in the person increased by 32.20%. Finally, there was no registration of seizures on premises in 2022.

Figure 30: Quantity of khat seized by conveyance method (in kilogrammes), 2021-2022



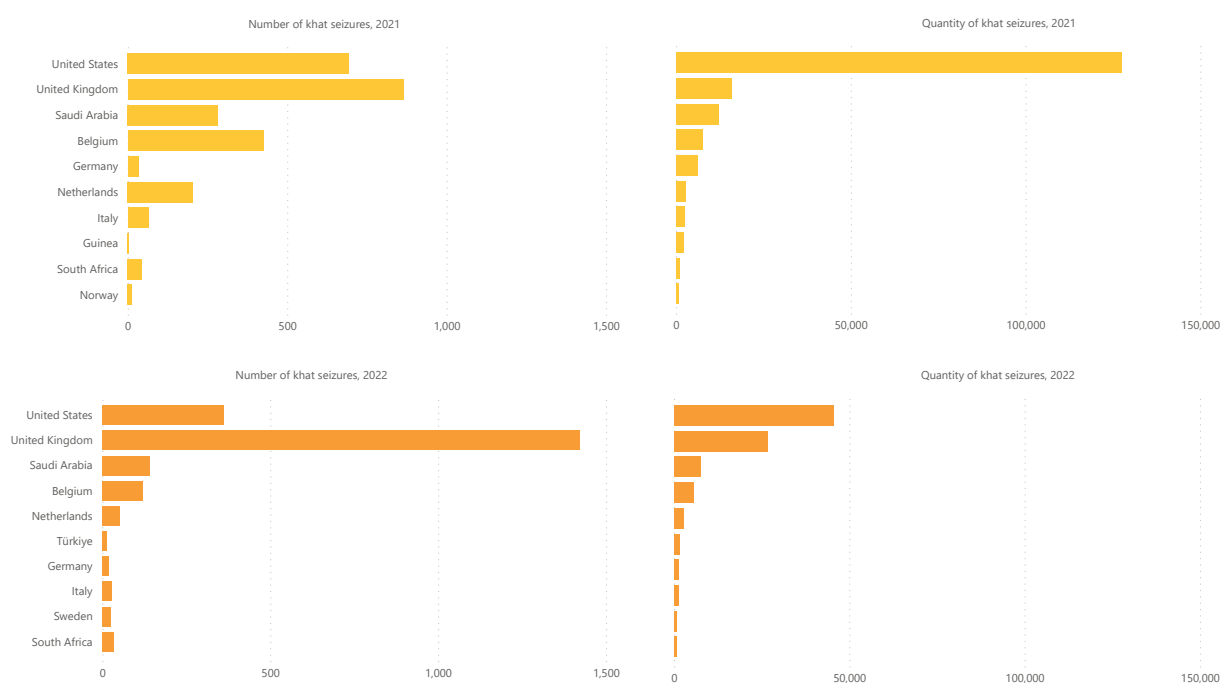
More than 60% of khat in volume was transported by air in 2022. Dried Khat was transported almost exclusively by air, representing 31.88% of seizures. Meanwhile, Fresh Khat represented 6.02%. In 2021, the trend was the opposite. Dried khat totalised 7.62% and fresh khat 24.11%.

Fresh khat is also transported by vessel, representing 18.16% of the total. Vehicle mode totalled 7.40% in 2022. Those participations almost remain unaltered compared to 2021, where the values were 18.64% and 6.69%, respectively.

The 4 top countries in khat seizures remained unaltered, comparing 2021 and 2022, with mixed trends.

The largest seizure country is the United States, which saw significantly decreased seizures in both kilograms and cases. Seizures decreased by 64.36% in kilograms and 47.84% in cases.

Figure 31: Figure 31. Top 10 countries by number of khat seizures and quantity seized (in kilogrammes), 2021-2022



On the contrary, the second-largest, the United Kingdom, reported a significant increase in seizures in both kilograms and cases, with seizures increasing by 68.07% and 64.28%, respectively.

The third, Saudi Arabia, had a decrease in seizures in kilogrammes but an increase in cases, with seizures decreasing by 37.46% in kilograms and increasing by 50.53% in cases.

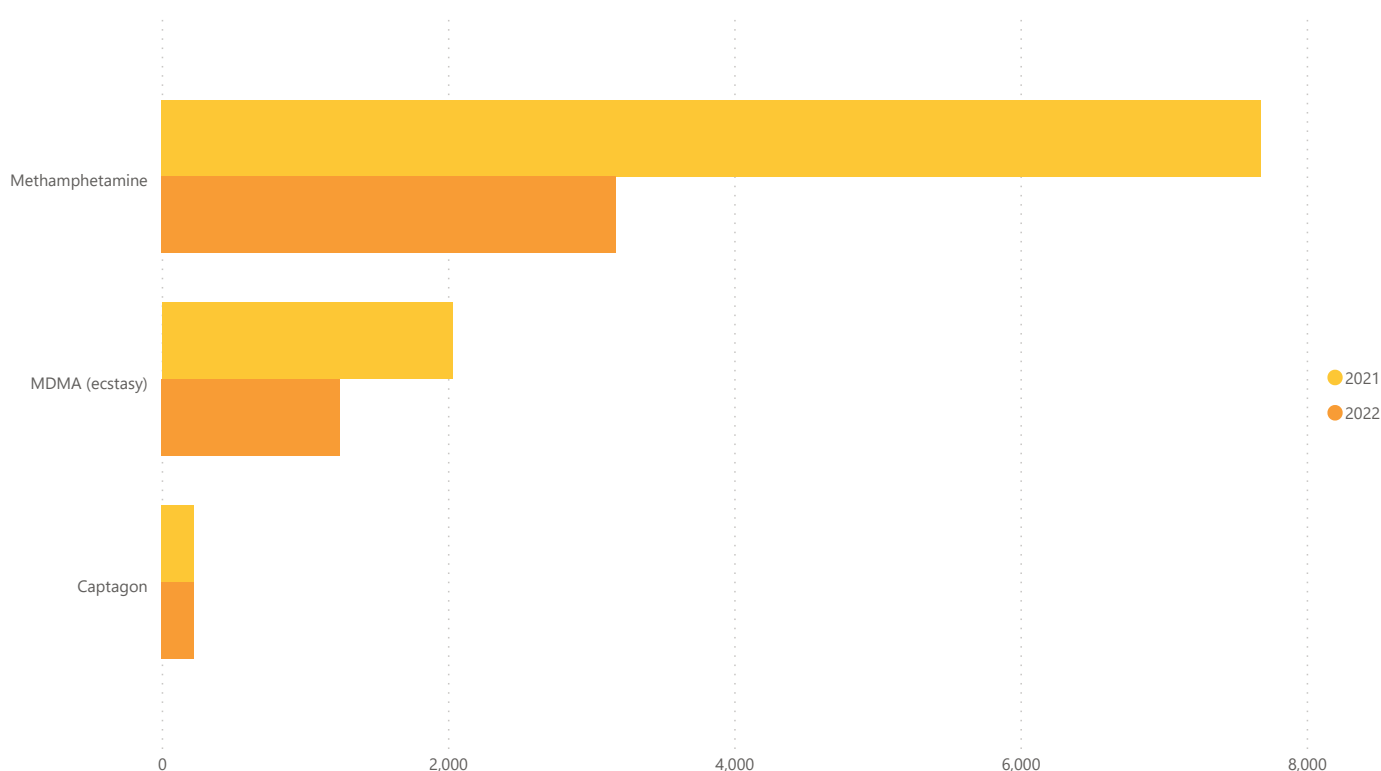
The fourth, Belgium, reduced by 26.07% in kilograms and 71.53% in cases. Other countries such as the Netherlands, Italy, and South Africa also reported changes in seizures, but they were not as significant. Guinea and Norway were in the top 10 in 2021 but were replaced by Türkiye and Sweden in 2022.

2.3 Psy

In 2021 and 2022, there were numerous seizures of psychoactive drugs by law enforcement agencies worldwide. The types of drugs seized in these operations included stimulants such as amphetamines, depressants such as benzodiazepines, and hallucinogens such as LSD and MDMA.

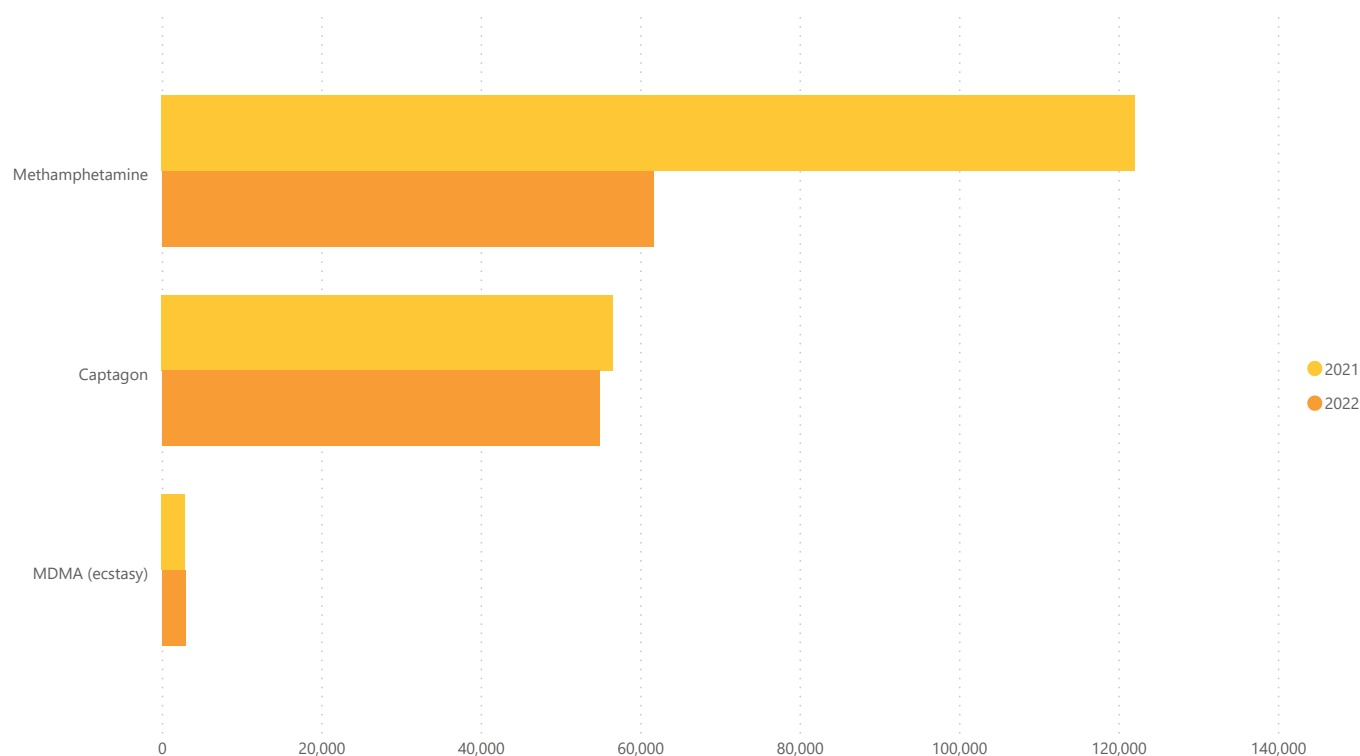
The increasing prevalence of these substances has led to a growing concern among health professionals, policymakers, and law enforcement agencies, as they pose a significant threat to public health and safety. The ongoing battle against psychoactive drug trafficking remains a critical issue for governments worldwide.

Figure 32: Quantity of PSY (Methamphetamine, Captagon, MDMA (Ecstasy)) seized by category (in cases), 2021-2022



Considering the variety of PSY drugs, this Report analyses the seizures of three of the most relevant PSY drugs: Methamphetamine, Captagon, and MDMA/Ecstasy. In 2021 and 2022, there were significant changes in the seizures of Methamphetamine and MDMA (ecstasy) in terms of cases. Methamphetamine cases decreased by 58.66% from 7,680 in 2021 to 3,175 in 2022. MDMA (ecstasy) seizure cases decreased by 38.66% from 2,033 in 2021 to 1,247 in 2022.

Figure 33: Quantity of PSY (Methamphetamine, Captagon, MDMA (Ecstasy)) seized by category (in kilogrammes), 2021-2022

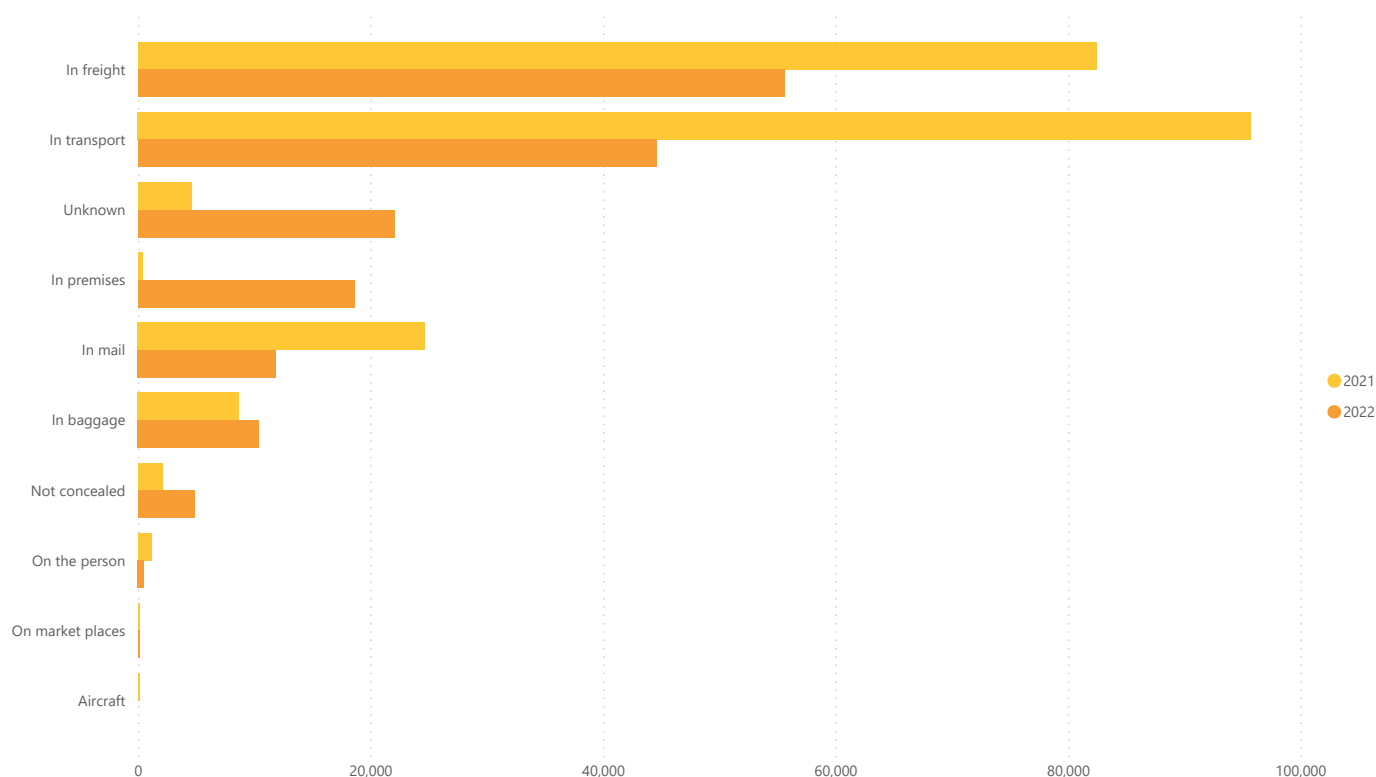


Regarding weight, Methamphetamine seizures decreased by 49.46% from 122,102.47 kilogrammes in 2021 to 61,711.49 kilogrammes in 2022, while MDMA and Captagon seizures remained relatively stable.

Analysis of all the PSY drug seizures reported in CEN, regarding participation in the total seizures, the most significant contributions in 2021 were In freight (37.50%) and In transport (43.54%) concealment methods. In 2022, the most significant percentage was In freight (32.99%) and In transport (26.47%) concealment methods. Regarding seizure changes, the most significant trend can be observed in the On premises concealment method, where seizures increased dramatically by 4,332.67%, from 420.44 kg in 2021 to 18,636.54 kg in 2022. Another substantial increase (70.73%) was that of Market Places, even so with still low volumes.

Conversely, the In transport concealment method witnessed a significant decrease of 53.37% in seizures, declining from 95,744.68 kilogrammes in 2021 to 44,644.89 kilogrammes in 2022. Another noteworthy decline was observed in the In mail concealment method, which experienced a decrease of 51.89% in seizures from 24,690.35 kg in 2021 to 11,879.12 kg in 2022.

Figure 34: Quantity of PSY drugs seized by concealment method (in kilogrammes), 2021-2022

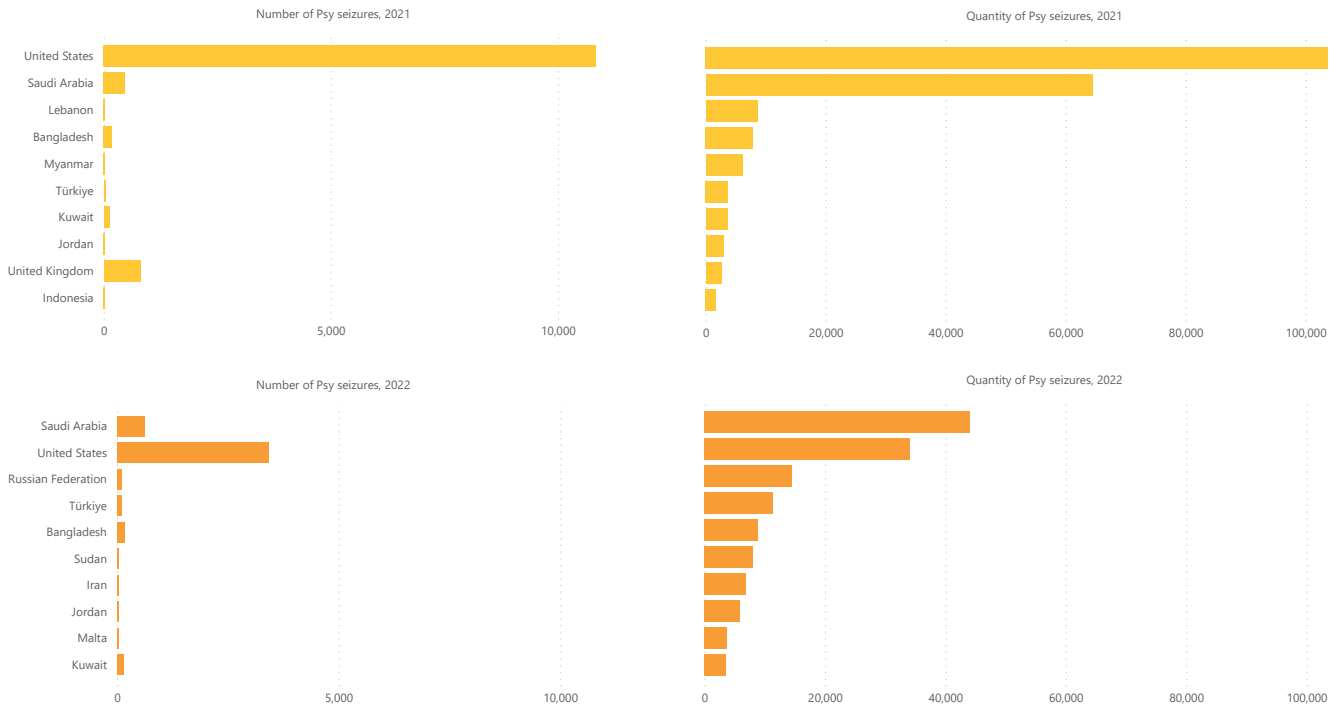


A few trends emerge when comparing the top 10 countries in PSY seizures by kilogrammes from 2021 to 2022. The United States saw a decrease of 67.08% in seizures of PSY, going from 103,723.33 kilogrammes in 2021 to 34,149.83 kilogrammes in 2022. Saudi Arabia also saw a significant decrease of 31.67%, going from 64,459.24 kilogrammes in 2021 to 44,043.47 kilogrammes in 2022. Meanwhile, the Russian Federation saw a substantial increase going from 100.12 kilogrammes in 2021 to 14,484.15 kilogrammes in 2022, and Türkiye reported an increase of 207.3%, going from 3,714.74 kilogrammes in 2021 to 11,415.35 kilogrammes in 2022.

The Republic of the Union of Myanmar, the United Kingdom and Indonesia ranked in the top 10 in 2021 and were replaced by Sudan, the Islamic Republic of Iran and Malta in 2022.

Figure 35: Top 10 countries by number of PSY seizures and quantity seized (in kilogrammes), 2021-2022

Figure 35: Top 10 countries by number of PSY seizures and quantity seized (in kilogrammes), 2021-2022



Case study 4

LIQUID METHAMPHETAMINE SEIZURE BY THE BELGIAN CUSTOMS

Hong Kong Customs detected a large-scale transnational dangerous drugs case through intelligence exchange with overseas law enforcement agencies. On 23 October 2022, about 1.8 tonnes of suspected liquid methamphetamine with an estimated market value of about HK\$1.1 billion were seized.

This case is the largest on record among the methamphetamine cases detected by Hong Kong law enforcement agencies regarding the seizure amount and market value in Hong Kong history.

Customs officers on that day inspected a seaborne consignment, declared as carrying coconut water, arriving in Hong Kong, China from South America and found that it contained about 7,700 bottles of paper packaging coconut water, out of which 1,800 bottles had suspected liquid methamphetamine concealed inside with a total weight of about 1.8 tonnes.

Courtesy: Hong Kong Customs



Courtesy: Hong Kong Customs



2.4 Opioids and Opiates (Heroin and Fentanyl)

In 2021 and 2022, there were numerous seizures of psychoactive drugs by law enforcement agencies worldwide. The types of drugs seized in these operations included stimulants such as amphetamines, depressants such as benzodiazepines, and hallucinogens such as LSD and MDMA.

The increasing prevalence of these substances has led to a growing concern among health professionals, policymakers, and law enforcement agencies, as they pose a significant threat to public health and safety. The ongoing battle against psychoactive drug trafficking remains a critical issue for governments worldwide.

Figure 36: Quantity of Heroin and Fentanyl seized by category (in cases), 2021-2022

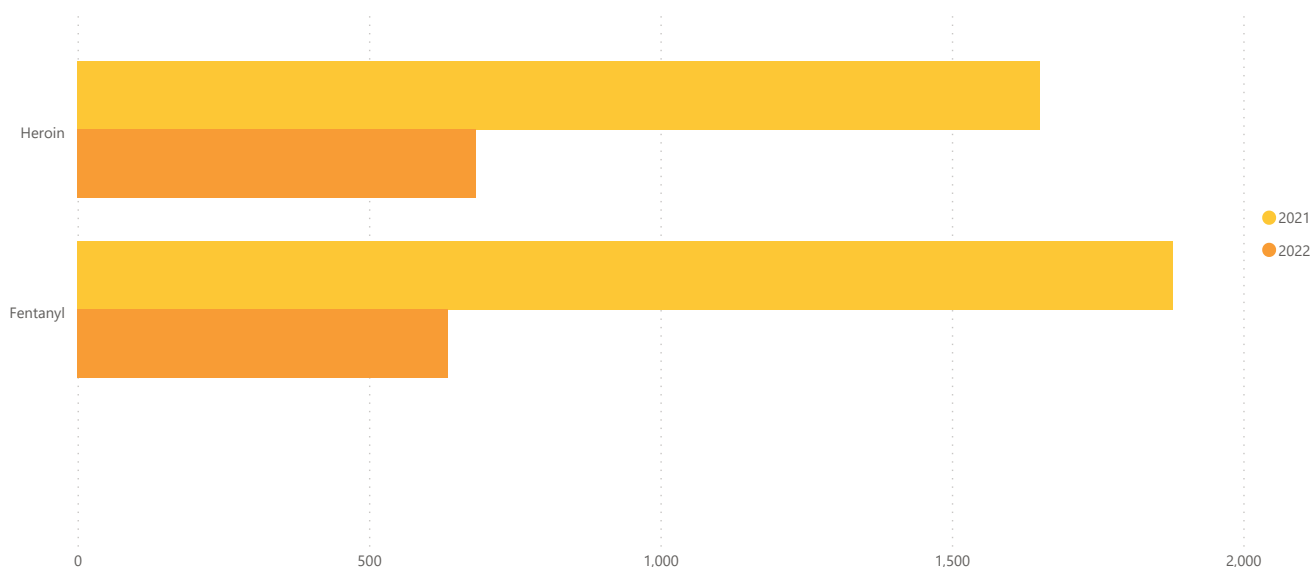
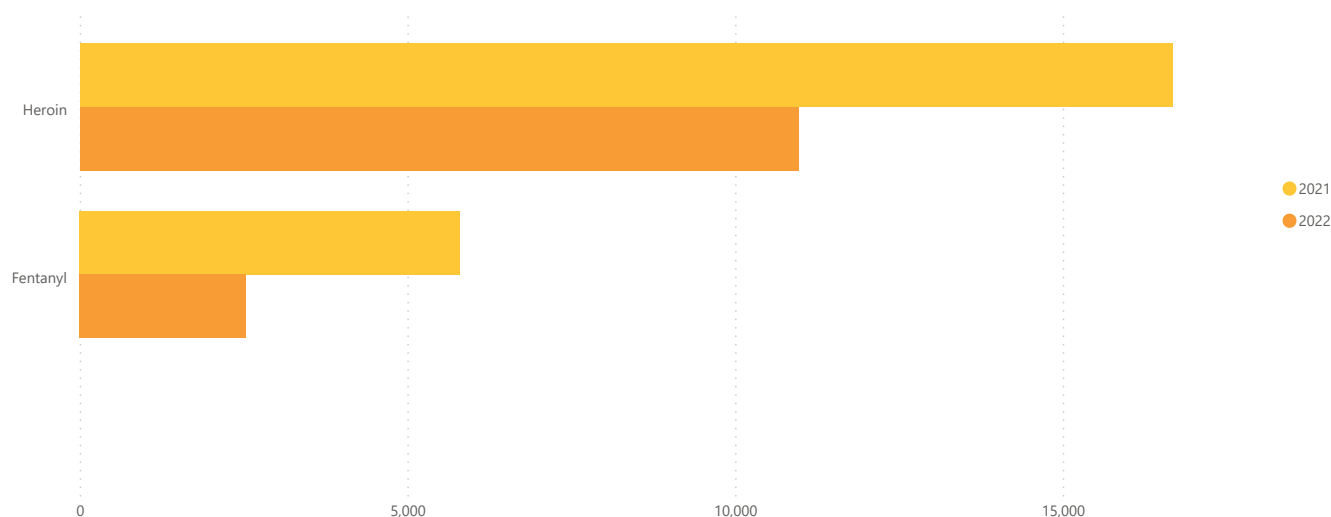


Figure 37: Quantity of Heroin and Fentanyl seized by category (in kilograms), 2021-2022



In recent years, the illegal trafficking of opioids and opiates, particularly heroin and synthetic fentanyl, has become a significant concern for governments and law enforcement agencies worldwide. Comparing heroin and fentanyl seizures in 2021 and 2022 reveals some interesting trends.

When looking at the number of cases, both heroin and fentanyl seizures have decreased significantly in 2022, with a reduction of 58.63% and 66.17%, respectively. Regarding kilograms, fentanyl seizures have also decreased by 56.24%, while heroin seizures have seen a lesser decrease of 34.25%.

FENTANYL: AN UNPRECEDENTED GLOBAL THREAT

21 Nandhini Srinivasan and Sriparna Roy, "US Fentanyl-Related Deaths More Than Tripled over Five Years," Reuters, May 3, 2023, <https://www.reuters.com/world/us/us-fentanyl-related-deaths-more-than-tripled-over-5-years-2023-05-03/>

22 Government of Canada, "Opioid- and Stimulant-Related Harms in Canada," March 2023, <https://health-infobase.canada.ca/substance-related-harms/opioids-stimulants>

23 Bryce Pardo and Peter Reuter, Enforcement Strategies for Fentanyl and Other Synthetic Opioids (Brookings Institution, 2020), https://www.brookings.edu/wp-content/uploads/2020/06/5_Pardo-Reuter_final.pdf

24 Australian Federal Police, "Fentanyl Warning Following Australia's Largest Detection of Deadly Opioid," August 22, 2022, <https://www.afp.gov.au/news-media/media-releases/fentanyl-warning-following-australia%E2%80%99s-largest-detection-deadly-opioid>

25 Alberto Nájara, "Fentanilo: Cómo Operan los Carteles de México y China para Vender Esta Potente Droga en Estados Unidos," BBC News Mundo, February 4, 2020, <https://www.bbc.com/mundo/noticias-america-latina-51117195>

26 United States Drug Enforcement Administration (DEA), Intelligence Report - Fentanyl Flow to the United States (2020), https://www.dea.gov/sites/default/files/2020-03/DEA_GOV_DIR-008-20%20Fentanyl%20Flow%20in%20the%20United%20States_0.pdf

27 John Davis, "Fighting the Opioid Scourge - CBP Disrupts Flow of Illegal Opioids at Our Borders," United States Customs and Border Protection, September 28, 2022, <https://www.cbp.gov/frontline/fighting-opioid-scurge>

Fentanyl represents a serious challenge for the public and law enforcement agencies and no region is immune to this problem.

Although North America seems to be the area most affected by this synthetic opioid, with thousands of deaths in the United States and Canada^{21,22}, Europe and Asia Pacific are also regions where fentanyl trafficking and consumption is present. In Europe, Estonia has a long record of fentanyl abuse²³. Regarding the Asia Pacific region, for instance, Australian Border Force (ABF) and Australian Police Force (AFP) recently struck a significant blow to organized crime. They seized an important quantity of fentanyl, which could have produced more than 5 million doses²⁴.

China is one of the main source countries of fentanyl, where it is estimated that there are approximately 5,000 locations involved in producing fentanyl, related substances and precursors²⁵. It has also been indicated that criminal organizations in India are involved in shipments of finished fentanyl powder and fentanyl precursors²⁶. Criminal groups send these substances worldwide through international mail services in minimal quantities, making it difficult for law enforcement agencies to intercept them²⁷.

Fentanyl is a strong substance; a tiny dose is sufficient to feel its effects. Its potency is such that slight contact with the skin or a brief inhalation can already have severe consequences and even lead to death. Extreme caution should be exercised when handling this drug. By way of illustration, the Royal Canadian Mounted Police (RCMP) requests that its personnel wear adequate equipment, such as a respirator and a hazmat suit, and carry naloxone (an antidote).²⁸

It is worth noting that while these decreases are promising, the problem is far from controlled. The illicit drug market continues to pose significant challenges to law enforcement worldwide, with natural and synthetic opioids among the most pressing concerns. Heroin, a natural opioid derived from the opium poppy plant, and synthetic fentanyl, a highly potent opioid created in the laboratory, have been responsible for significant drug-related deaths in recent years.

Moreover, not only manufacturing this synthetic opioid is very simple and cheap, but it can also be done anywhere. On one hand, it does not require large-scale crop plantations like heroin, cocaine or cannabis. Besides, as there are no growing crops to administer and to be taken care of, there is no need for a large labour force²⁹. On the other hand, it is easy to buy the precursors on the international market given the difficulties of their control and regulation, which helps to attract more criminals to enter the business as it is not demanding, in addition to the fact that the instructions on how to produce it can be found on the Internet³⁰.

Furthermore, fentanyl is a lucrative business. With only one kilogramme of this substance, approximately one million doses can be produced, and, for example, in the American market, the financial benefit would increase to around US\$ 20 million³¹. This high profitability is leading drug traffickers to actively push for the consumption of fentanyl rather than other illicit substances, changing the market. Therefore, it is worth noting that the distributors are now placing the demand and not the consumers³². Once in the market, it should be considered that the demand will also start increasing from the consumer side as it is low-priced and its euphoric effects are welcomed by those users who have already developed tolerance to addictive opioids like heroin³³.

Another reason that might have contributed to increased fentanyl trafficking is the COVID-19 pandemic. As freedom of movement was severely impacted, the same amount of drugs could not be moved into the market, and therefore OCGs turned to more potent substances³⁴.

However, not only drug dealers are putting fentanyl itself on the streets, but they are adulterating other widely consumed drugs and pharmaceutical products with fentanyl, without notifying the user³⁵. Indeed, fentanyl is highly flexible. Among other utilities, it could be employed to cut cocaine, alter heroin or manufacture counterfeit pharmaceutical pills³⁶.

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TRAMADOL CONSUMPTION: A WORSENING PUBLIC HEALTH PROBLEM

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The non-medical use of tramadol has become a significant problem in many countries worldwide, reporting more deaths from tramadol usage than from heroin³⁹. The most affected regions are West and Central Africa, Northern Africa and the Middle East. Still, tramadol trafficking is present far and wide, as recent cases of seizures in the United States⁴⁰ and Paraguay⁴¹ demonstrate.

West and Central Africa are seriously affected by the trafficking of tramadol. Nigeria, Niger and Togo are some of the countries that have reported tramadol as the most used opioid substance⁴². Regarding Northern Africa and the Middle East, Algeria, Libya, Egypt, and UAE are among the states facing problems with tramadol smuggling and consumption^{43 44 45}.

One of the main challenges when fighting the illegal trafficking and usage of this synthetic opioid is that, as it is legally commercialized, it is not perceived as a hazardous substance by individuals. Moreover, people are attracted to consuming tramadol because it has been associated with contributing to a more enjoyable and vigorous life. Users are appealed to its pleasant and stimulant effects, which may help them overcome harsh work conditions and life circumstances⁴⁶.

Other causes behind the increased tramadol consumption can be drawn from the Western and Central African region but it may apply to other areas. These include, but are not limited to, a lack of access to medical care, encouraging self-medication; extensive accessibility to the product at informal markets, along with the possibility of buying it at legal pharmacies without a medical prescription or with a falsified one; and an affordable price, as pills could be sold for €0,75^{47 48}.

Selling tramadol in the streets makes the consumption even more dangerous as doses do not comply with legal standards, offering very high dosages, and pills are sold without their package and medication package insert and stored in unsafe conditions. Furthermore, closely linked to digital platforms, more sellers are now using messaging apps such as WhatsApp to reduce their exposure on the streets and avoid law enforcement apprehension, making it more difficult to stop the illegal flow of drugs⁴⁹.

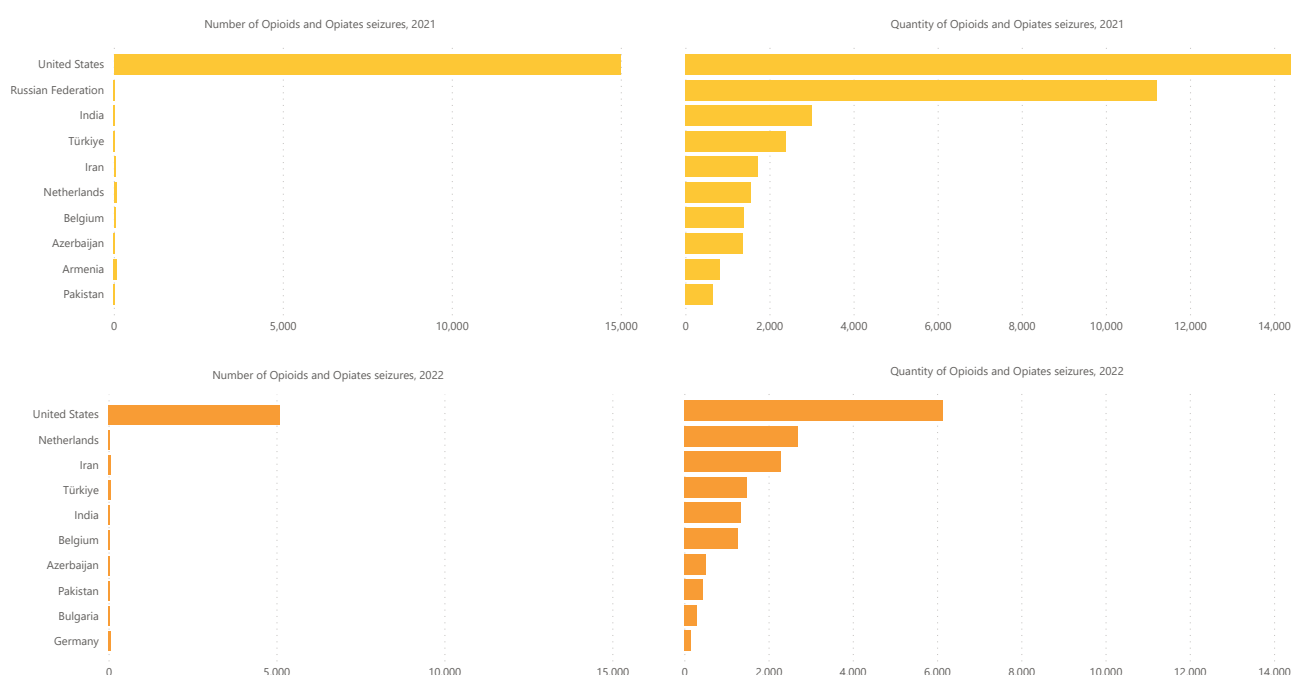
Another challenge arises from the international nature of the pharmaceutical industry. Tramadol suppliers are usually located in Asia. These exports could be legal or illegal, often intermingling, and shipped by sea and air. When tramadol is being shipped illicitly, manufacturers employ numerous methods of disguise, such as renaming the substance (e.g. tafrodol) or using several transit countries to evade Customs controls at ports of entry⁵⁰.

In a nutshell, there are no indications that tramadol use and trafficking are declining, and it appears that it might remain one of the most widely used synthetic opioids. Conflicts, poverty and corruption, can also be seen as a driver for this development.

Closely linked to the latter, an additional danger for both the general public and law enforcement is that fentanyl is hard to detect. It has neither taste nor smell, and as previously mentioned, individuals may come across and consume this dangerous substance without knowing it, which could lead to fatal consequences. Similarly, for police forces, as drug testing kits are not always accurate at detecting this synthetic opioid, officers may come into contact with the substance without proper protection and harm themselves.

In short, fentanyl is a strong, cheap, versatile, accessible, lucrative and addictive substance, and as a result, much more efforts should be devoted to strengthening international cooperation in its control.

Figure 38: Top 10 countries by number of Opioids and Opiates seizures and quantity seized (in kilogrammes), 2021-2022



Regarding the global seizures of opioids and opiates, in 2021, the United States, the Russian Federation, and India led the seizures in kilogrammes, while the United States, the Netherlands, and the Islamic Republic of Iran led the seizures in 2022.

CEN data show that in 2022 the United States decreased significantly in seizure cases and volume. Türkiye witnessed a decrease in kilogrammes and an increase in cases. The Netherlands had a significant increase in kilogrammes but a decrease in cases. India and Belgium experienced a decrease in both seizures in kilogrammes and cases.

Among the top 10, the Russian Federation and Azerbaijan listed in 2021 were replaced by the Netherlands and Pakistan in 2022.

2.5 New Psychoactive Substances (NPS)

NPS is a collective term that refers to a wide range of chemically diverse substances being abused as substitutes for traditional narcotics and not under international controls, i.e., not listed in the 1961 Single Convention on Narcotic Drugs or the 1971 Convention on Psychotropic Substances.

The absence of international controls resulted in asymmetric controls between countries. An immediate example is ketamine, not listed in the abovementioned Conventions, despite its widespread abuse. Although many countries have put NPS under the control of national laws, some others do not. This means a legitimate export from one country could become an illegal import to the other.

Despite the term “new”, some NPS were invented decades ago. Among the many examples is Tramadol, first introduced in West Germany in 1977 as a pain reliever⁵¹. Drug addicts were subsequently abusing this synthetic opioid, and it is still a widespread NPS today.

Finally, at the same time, new chemical formulas and products have been kept inventing and introduced to the market. It was estimated that some 50 new substances are “invented” every year. Up to December 2022, over 1,150 individual NPS have been reported by 137 countries and territories⁵². These newly invented drugs are often referred to as “recreational designer drugs”, meaning they have no legitimate use but mimic the effects of traditional narcotics. Examples are synthetic cathinones, a.k.a. “bath salts”, which have no legitimate use but produce central nervous stimulations similar to cocaine, methamphetamine, and MDMA/ecstasy. The marketing name “bath salts” has been used to circumvent the controls, which apply only to substances for human consumption.

Nevertheless, some NPS do have legitimate uses. An example is GBL (Gamma-Butyrolactone), a notorious NPS associated with drug-facilitated sexual assaults, which is also a commonly used industrial chemical intermediate and solvent in paint removers, cleaners, adhesives, and nail polish removers.

⁵¹ INCB, “Tramadol, review of the global situation”, 2018.

⁵² UNODC Early Warning Advisory (EWA).

Not all NPS are synthetic chemicals. Plant-based substances also fall into this category, such as Kratom. It is a tropical tree native to Southeast Asia, and consumption of its leaves produces both stimulant effects (in low doses) and sedative effects (in high doses)⁵³.

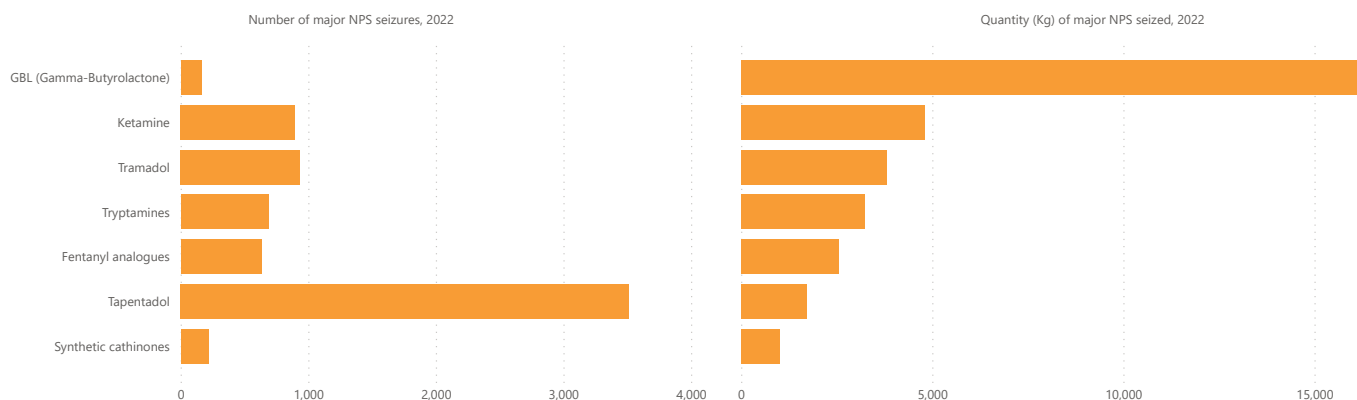
⁵³ United States Drug Enforcement Administration (DEA)

⁵⁴ United States Drug Enforcement Administration (DEA).

NPS can be much more dangerous than traditional narcotics in terms of harmful effects and lethal dosage. An immediate example is the fentanyl analogues. Fentanyl is a synthetic opioid used to treat patients with severe pain following surgery. It is approximately 50 times more potent than heroin as an analgesic. A dosage of as small as 2 mg of fentanyl is already considered lethal⁵⁴. The threat of such NPS is that these cheap “MSG” are added to traditional drugs such as heroin, methamphetamine, and cocaine by drug dealers and are finally unintentionally consumed by drug addicts, causing fatal interactions.

Although fentanyl has now been controlled by the 1961 Single Convention on Narcotic Drugs, its derivatives have been kept invented and introduced to the market. Given its complexity, the legislation process is significantly lagging behind the creation of new NPS, causing difficulties in adequately controlling these substances.

Figure 39: Quantity of the major NPS seized (in kilogrammes and cases), 2022



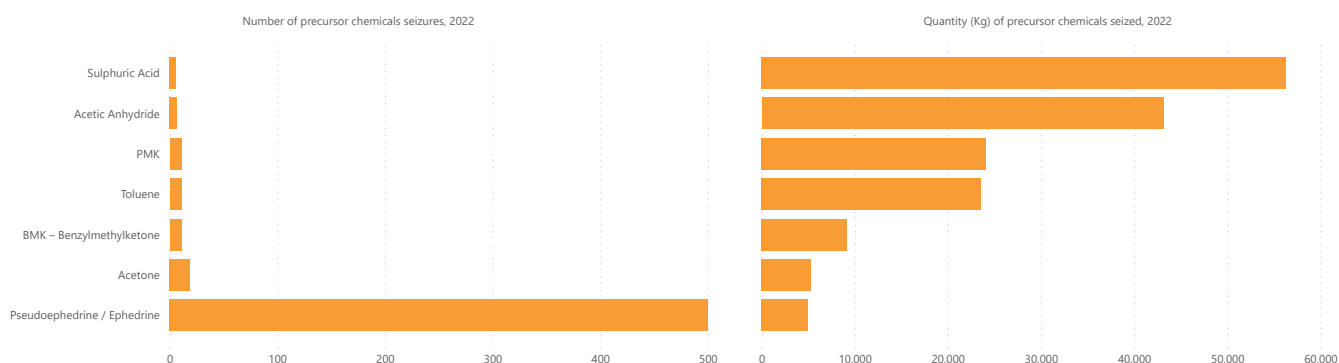
Tapentadol is the most widespread NPS in terms of cases detected. A total of 3,514 cases were detected with the seizure of over 1.7 tonnes of tapentadol in 2022. Around 2.5 tonnes of fentanyl analogues were seized in 2022.

Tapentadol and Tramadol are synthetic opioids that are used to treat pain. Tryptamines (such as DMT) are hallucinogenic and psychedelic drugs with similar effects to LSD. Synthetic cathinones (such as 3-CMC and 3-MMC) are stimulants similar to cocaine, methamphetamine, and MDMA (ecstasy).

Precursors

Production of plant-based narcotics, in particular cocaine and heroin, is a process of extraction and separation of the active ingredients from the plant or its discharges, which involves the use of chemical solvents and intermediate reagents. Producing synthetic narcotics such as methamphetamine and ketamine is a series of chemical reactions that convert the chemical ingredients to the desired compounds. These solvents, reagents, and ingredients are referred to as precursor chemicals. Controlling the illegal diversion of these precursor chemicals forms an integral part of the international controls on narcotics.

Figure 40: Some of the major precursor chemicals seized (in cases and quantities), 2022



⁵⁵ Methaqualone is a synthetic drug that controlled by the Convention on Psychotropic Substances of 1971.

Sulphuric acid was the most significant drug precursor seized in terms of quantity, of which a total of over 56,000 litres were seized in 2022. Followed by acetic anhydride with a total seizure of over 43 tonnes in 2022. Sulphuric acid is used in extracting cocaine from coca leaf, it can also be used in the synthesis of amphetamine and methamphetamine. Acetic anhydride is a critical reaction agent in the conversion of morphine to heroin, it is also an essential chemical in the synthesis of amphetamine, methamphetamine, and methaqualone⁵⁵. PMK (Piperonyl Methyl Ketone) is the common precursor used to manufacture ecstasy-type substances such as MDMA. Toluene serves as a solvent in the manufacture of cocaine, methaqualone and MDA.

⁵⁶ Source: Publication by Taxation and Customs Union of European Commission.

⁵⁷ Source: Publication by Taxation and Customs Union of European Commission.

Ephedrine and pseudoephedrine are the most widespread precursors in terms of no. of cases detected. In 2022 a total of 500 cases with the seizure of nearly 5 tonnes of ephedrine and pseudoephedrine were effected. Ephedrine and pseudoephedrine are key ingredients in production of methamphetamine, only 1.5 kg of ephedrine/pseudoephedrine is needed to obtain 1 kg of methamphetamine⁵⁶.

Unlike many of the hard drugs, many precursor chemicals have legitimate uses. Sulfuric acid is a very common industrial chemical that intensively used in wide range of industrial and manufacturing processes. Acetic anhydride is used in many industrial processes for the production of plastics, textiles, dyes, photochemical agents, perfumes, explosives and cigarette filters⁵⁷. Ephedrine and pseudoephedrine are nasal-decongestants that commonly used in medicines against flu. These practical considerations make it difficult to place precursor chemicals under absolute controls. Enabling the legitimate movement of these chemicals is as important as preventing the illegal diversion of them.

3. WCO Drugs Programme to support Members in containing drug trafficking

The World Customs Organization plays a crucial role in supporting national Customs authorities to combat drug trafficking and counter international crime by providing training, capacity building, technology solutions, and facilitating collaboration between different agencies.

3.1 K9 Activities

Detector dogs have been proven to be a very effective tool for Customs. Their enhanced sense of smell enables Customs to uncover contrabands from concealments or behind regular commodities. Their swift actions are ideal for rapidly screening fast-moving goods and travellers. The examination process is non-intrusive, i.e. sniffing minimizes the disruption by Customs actions to genuine travellers and legitimate goods. Further, the mobility of canine units enables them to be flexibly deployed to different operation scenes and reinforce Customs actions as needed. In many cases, a canine unit at the border is a deterrence to smugglers.

With a vision of enhancing the efficiency of Customs operations and strengthening Members' enforcement capacity, the WCO is committed to supporting the canine development of Member Customs by providing technical assistance, promoting best practices, and compiling practical guidance.

To this end, we established the WCO Regional Dog Training Centre (RDTC) network to support the canine development of Members. As of April 2023, there are 18 WCO RDTCs in multiple regions worldwide. We expect these RDTCs not only to support the operation of canine programmes of Members but also to facilitate regional cooperation on canine developments.

To provide technical assistance to canine development of Members, the WCO, in collaboration with the Bureau of International Narcotics and Law Enforcement Affairs (INL) of the U.S. Department of State and with the support of canine experts from the Australian Border Force (ABF), U.S. Customs and Border Protection (CBP), and Canada Border Services Agency (CBSA) is carrying out a US-WCO Canine Synthetic Drugs Detection Project. This project is the first major WCO initiative to build up the canine detection capacity of Members. It is expected to share canine synthetic drug detection expertise with the global Customs community.

To promote the sharing of best practices, the WCO is organizing the WCO Global Canine Forum biannually. This major WCO event brings together stakeholders of Customs canine forces and international organizations to exchange knowledge and views, share practical experiences, and build up connections for collaboration. This global platform also enables stakeholders to identify shared challenges in rolling out new national initiatives with the requisite canine training programmes and operational models. The 6th WCO Global Canine Forum will be held in Hong Kong, China, in 2024.

Courtesy: Canine squad
of the Receita Federal do Brasil.



3.2 COLIBRI Monitoring and Controlling General Aviation

In our constantly evolving, interdependent and interconnected world, the aviation sector plays an overarching role in regional and global supply chains, generating significant infrastructure and income for national economies by allowing goods and passengers to be dispatched anywhere, however remote, in record time. Within this sector, the non-commercial operations performed by civil aviation are of particular relevance, making General Aviation one of the most important, rapidly expanding industries everywhere, and building an essential component of the national and global economies and business drivers. However, just as any other legal activity, private or commercial, uses this means of transport to reach every part of the globe, criminal organizations also use it to move illicit goods and to travel quickly from one place to another.

Customs, police and other law enforcement operations and intelligence confirm that general aviation is used for drug trafficking - specifically light aircraft, being unobtrusive, fast and versatile for large narcotics shipments. But this mode of transport does not only facilitate drug trafficking. Still, it is also exploited for arms trafficking, cash smuggling, illegal immigration and terrorism, among other organized crime activities. Within this framework in 2019, the WCO's Secretariat launched the COLIBRI project initiative to target specifically General Aviation (GA), a vector that concerns all civil aviation operations for purposes other than commercial transport. The project is generously funded by the European Union.

Although most civil airports are open to GA, many secondary aerodromes are not subject to administration fees, landing or parking charges, operating restrictions or controls. Moreover, general aviation is not subject to the same Customs or police inspection mechanisms, and flight security measures are substantially relaxed, even in highly regulated areas. This reality implies that GA represents an opportunity for organized crime and offers several advantages to traffickers. This mode of transport is discreet, fast, and can use in smaller airports where Law Enforcement Administrations are often absent.

The COLIBRI Project is conceived to help tackle the challenge of improving security in this specific channel, which is sensitive in both trafficking and security terms and for tax reasons.

COLIBRI builds on four key pillars to achieve its objectives:

1. It raises awareness at the political level about General Aviation's role in illicit drug trafficking.
2. It promotes effective and regular controls of airport infrastructure by providing ongoing training and capacity-building programmes.
3. It has developed a new IT system, the Geoportal and its mobile application to enhance inter-agency and international cooperation and facilitate the sharing of information, the analysis of data and the production of intelligence.
4. It strengthens operational coordination and cooperation with all relevant stakeholders in the regions covered by the Project, Latin America, the Caribbean, Africa and ultimately, the European Union.

This project was funded by the European Union, Canada, France, Japan, the Netherlands, Norway and the United States (INL). AIRCOP is part of the EU's Global Illicit Flows Programme (GIFP) to combat transnational crime and foster South-South, regional and transregional cooperation.

The overall picture around GA use and activities is more straightforward regarding regions such as South America, which has a vehicle used by traffickers in the region. However, the threat picture is not clear when it comes to Africa. Thus, LEAs must strengthen their capacities to face this threat and join their forces to effectively tackle organised crime activities perpetrated through general aviation. The Geoportal is a crucial asset in this fight, allowing administrations to assess the risks, plan controls, conduct analysis, and produce intelligence.

3.3 AIRCOP

AIRCOP is a multi-agency project implemented by UNODC in partnership with INTERPOL and the WCO. It aims at strengthening the capacities of international airports in Africa, Latin America and the Caribbean to target and intercept high-risk passengers, cargo and mail as a contribution to the fight against illicit drugs and other illicit commodities (such as wildlife products or falsified medical products), terrorism-related threats (such as arms or potential foreign terrorist fighters), trafficking in persons and smuggling of migrants. It also aims at facilitating communication and coordination between origin, transit and destination countries to disrupt illicit cross-border flows and criminal networks.

AIRCOP has been implemented in 41 airports in Africa, Latin America and the Caribbean, the Middle East, South-Eastern Europe and South-East Asia.

AIRCOP facilitates secure real-time transmission and sharing of information between law enforcement services at national, regional and international levels. The WCO provides CENcomm, the secure communication tool to exchange operational details through the secure transmission of warning and seizure messages within a closed network of control units in international airports, allowing decision-makers to make informed decisions.

In 2022, 520 seizure messages were exchanged via CENcomm by different countries. LAC registered 63.65% of the cases, Africa reported 36.15%, and partner countries 0.19%. The top reporting country in 2022 was Nigeria, with 117 messages. Next is Bolivia, with 108 messages, and El Salvador, with 75 messages. A total of 505 cases were recorded in 2021, representing a 2.97% increase by 2022. Au contraire, unlike in 2021, no warnings or feedback messages were transmitted, only seizure messages in 2022.

Last year, the Joint Airport Interdiction Task Forces (JAITFs) reported 543 seizures in CENcomm. JAITFs from the region of Latin America and the Caribbean (LAC) incorporated 61.51%, while JAITFs from Africa incorporated 38.31% and partner countries 0.18%. The three JAITFs with the highest seizures were Lagos, with 122 seizures; Santa Cruz, with 107; and San Salvador, with 75.

Different seizure types related to CITES, weapons and explosives, tax and duty evasion, drug trafficking and fraudulent or stolen documents, tobacco, and undeclared cash are registered in CENcomm. The top three categories of cases reported in CENcomm during 2022 were drugs with 245 records (45.12%), followed by fraud-

ulent or stolen documents with 109 records (20.07%), and tax and duty evasion with 72 records (13.26%). Undeclared cash cases totalised 66 registers at CENcomm, equivalent to USD 1,918,087.

3.4 Container Control Programme (CCP)

The Container Control Programme (CCP) is a multiannual joint WCO/UNODC initiative. Its goal is to build capacity in countries seeking to improve risk management, supply chain security, and border management in seaports, airports, dry ports, rail terminals, and land border crossings to prevent the trafficking of illicit goods, organized crime, and terrorism and support trade facilitation. Launched in 2004, the CCP currently brings together 73 countries worldwide and has played its part in setting up over 130 specialist Port Control and Air Cargo Control Units.

Over the course of 2022, the CCP produced record results in terms of seizures in particular of drugs, chemical precursors and cigarettes, and significant results in terms of seizures of strategic goods, cashier checks and counterfeit goods. The units established under the CCP seized over 275 tonnes of cocaine, 8.6 tonnes of heroin, 690 tonnes of chemical precursors, 147 million cigarettes and 25 million pieces of products infringing IPRs, and made a variety of seizures of strategic goods, weapons and ammunition. A number of these seizures have allowed the opening of several large-scale investigations. These tangible outputs underline that the UNODC/ WCO CCP with its operational and networking approach is one of the most successful initiatives ever launched in the fight against illicit cross-border trade.

In 2022, more than 300 training activities, including train-the-trainer events and study visits, have been initiated under the CCP; the vast majority of the structured training activities were in person after the pandemic situation was mitigated. A total of more than 4,419 participants benefitted from these training courses to enhance Customs' performance in risk management and control. The cooperation of CCP with the WCO COPES programme adds to enhance the understanding on how to link the detection of illicit goods with the subsequent investigation procedures. CCP also closely cooperates and coordinates with other WCO projects and programmes, for example on Cultural Heritage, IPR / Falsified Medicines, Precursor Chemicals (Global Shield) and the Environment Programme.

The momentum created with the Women's network was expanded in 2022 with several events aiming at offering trainings for women officers in order to help them to close the training and career progression gap that they may experience during their career. The Women's Professional Development Programme (WPDP) initially implemented in 2021 in South Asia, Southeast Asia and the Pacific was replicated in Southern and Eastern Africa in 2022. As a result of these efforts, women represent nowadays 22% of the global PCU/ACCU, compared to 11% in 2015. Furthermore, 27% of the Team leaders are women in 2022.

New CCP training initiatives in the areas of hazardous and plastic waste, insider threats in the maritime and air cargo supply chain, centralized risk management and illicit trade in timber were pursued in 2022 and will be further expanded in 2023. Increased cooperation with the Private Sector, in particular with the shipping lines,

was led in 2022. The air transportation industry and express couriers will be invited to participate to join forces to this effort in 2023.

Operation TIN CAN, that was led between 4 November and 9 December 2022, and that showed very good results, constitutes a clear example of the relevance and the necessity of a concrete cooperation between Law Enforcement Administrations and the private sector. Operation TIN CAN aimed to enhance supply chain security, detect and prevent illicit trade, and strengthen cooperation between law enforcement agencies, Customs, and the shipping industry. The operation focused on achieving concrete results, improving detection methods, and evaluating its effectiveness to continually enhance enforcement concepts and supply chain security.

3.5 Conclusions

As seen in this section of the ITR, drug trafficking is a multifaceted issue that requires an interdisciplinary approach. Type of drugs, mechanisms and environmental factors alongside the use of multimodality of means of transport make it difficult for Customs and Law Enforcement partners to disrupt organised crime activities. Although drug seizures registered at CEN decreased between 2021 and 2022, it is essential to note that the decline in seizures may not necessarily imply a decrease in drug trafficking or drug abuse but rather a shift in drug trafficking routes or a change in drug compositions. Hence the importance of continuing to have the record of seizures by the WCO Members to identify new trends in transnational crime.

Every day it becomes more imminent to strengthen cross-border control and inter-institutional interaction to reduce drug use, which has plunged the world into several simultaneous crises: public health, environment and security.

International cooperation and coordination, as new technologies, are crucial in the fight against organised crime activities and drug trafficking. The explosion of artificial intelligence poses the challenge of using the power of this tool to not only improve the enforcement capacity of the Customs and Law Enforcement agencies to attack the growing drug trafficking but, at the same time, achieve a more sustainable development model.





Environment

1. Trafficking of environmentally sensitive commodities

Environmental degradation has precipitated related challenges which include climate change, marine pollution and the loss of biodiversity caused by pollution, overfishing, deforestation, the depletion of the ozone layer, and global warming. Most environmental problems are transboundary in nature. Multilateral Environmental Agreements (MEAs) are key to addressing the protection of the global environment. MEAs that address transboundary matters provide regulatory frameworks to respond to trade in endangered species, loss of biodiversity, depletion of the ozone layer, trafficking in hazardous waste and chemicals, and they include:

- the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal;
- the Cartagena Protocol on Biosafety to the Convention on Biological Diversity;
- the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);
- the Organization for the Prohibition of Chemical Weapons (OPCW);

- the Montreal Protocol on Substances that Deplete the Ozone Layer;
- the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade;
- the Stockholm Convention on Persistent Organic Pollutants;
- the Minamata Convention on Mercury.

Trafficking of environmentally sensitive commodities such as wildlife and timber, waste, and various hazardous chemicals is often linked with a wide range of illegal activities which pose detrimental impacts on the environment and the economy. The illegal trade in wildlife involves poaching, trafficking, and sale of wild animals and their products, leading to the decimation of endangered species populations, disruption of ecosystems, and the potential spread of zoonotic diseases. Illegal trade in waste and hazardous chemicals often leads to lack of environmentally sound management, which poses severe pollution risks to air, water, and soil.

Lack of compliance with trade-related measures stipulated and regulated by MEAs is often linked with the loss of national revenues and environmental crimes, which are driven by the pursuit of profits by criminal organizations and individuals engaging in illegal activities to meet the demand for wildlife products, timber, and seafood. These criminal networks and their activities are challenging to track and prosecute as profits from these activities are often laundered through complex financial networks.

Being uniquely positioned at the national borders, Customs play a crucial role in the enforcement of trade-related measures governed by MEAs and national environment-related legislation that provides for measures on international trade. The enforcement of such laws by Customs administrations focuses on monitoring trade through risk profiling, performing checks, and seizures of consignments that do not comply with the relevant laws, detaining consignments for further examination, taking samples, and reporting such cases to environmental agencies, the police or other law enforcement authorities. Often, Customs can also investigate cases of illegal trade and impose sanctions, depending on their mandate as prescribed by national law. However, being faced with the need to secure international supply chains, and support the economy while taking into account a wide range and complexity of requirements and possible infractions, as well as the possible negative impact of illegal trade on the environment and in the context of increasing volumes of goods to be controlled and limited resources, Customs face various challenges in the enforcement of environment-related legislation.



In this context, in 2022, the WCO Customs administrations reported cases related to various infringements of the environment-related requirements to the Customs Enforcement Network (CEN) database, involving:

- wildlife and timber;
- waste;
- substances controlled under the Montreal Protocol, i.e. ozone-depleting substances (ODS), mainly hydrochlorofluorocarbons (HCFCs), and hydrofluorocarbons (HFCs), which contribute to global warming; and
- other commodities, involving mainly hazardous chemicals and pesticides.

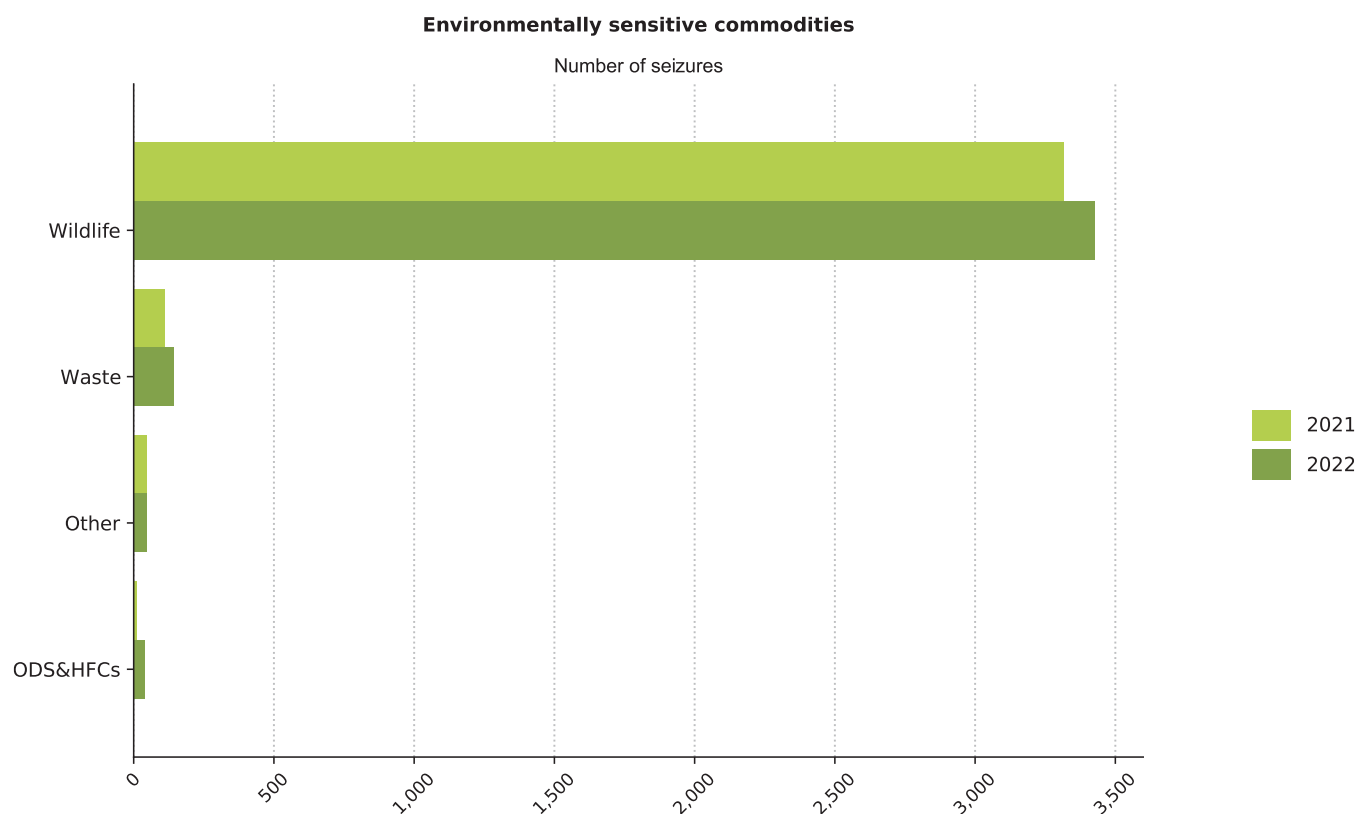
Figure 1: Overview of environmentally sensitive commodities seizures, 2021-2022

Figure 1 presents the overall number of seizures of environmentally sensitive commodities which amounted to 3,658 seizures in 2022. This implies a 5% increase in the number of seizures in relation to the previous year. Wildlife dominated the seizures in both years as it represented approximately 93% of the total seizures in each year. This category witnessed a slight increase in 2022 (3.3%) moving from 3,316 seizures in 2021 to 3,428 in 2022. Waste seizures were the second most frequent with 111 and 142 incidents in 2021 and 2022 respectively. Waste seizures increased by 28% in 2022 relative to the previous year. Similarly, the number of seizures of substances controlled under the Montreal Protocol, i.e. ODS and HFCs, also increased by a notable level (300%) spiking from 10 seizures in 2021 to 40 seizures in 2022.

The seizures of other environmentally sensitive commodities, i.e. pesticides and chemicals represented 1.3% of the total number of seizures in each year, experiencing a slight increase (by 4%) in 2022 relative to the previous year.

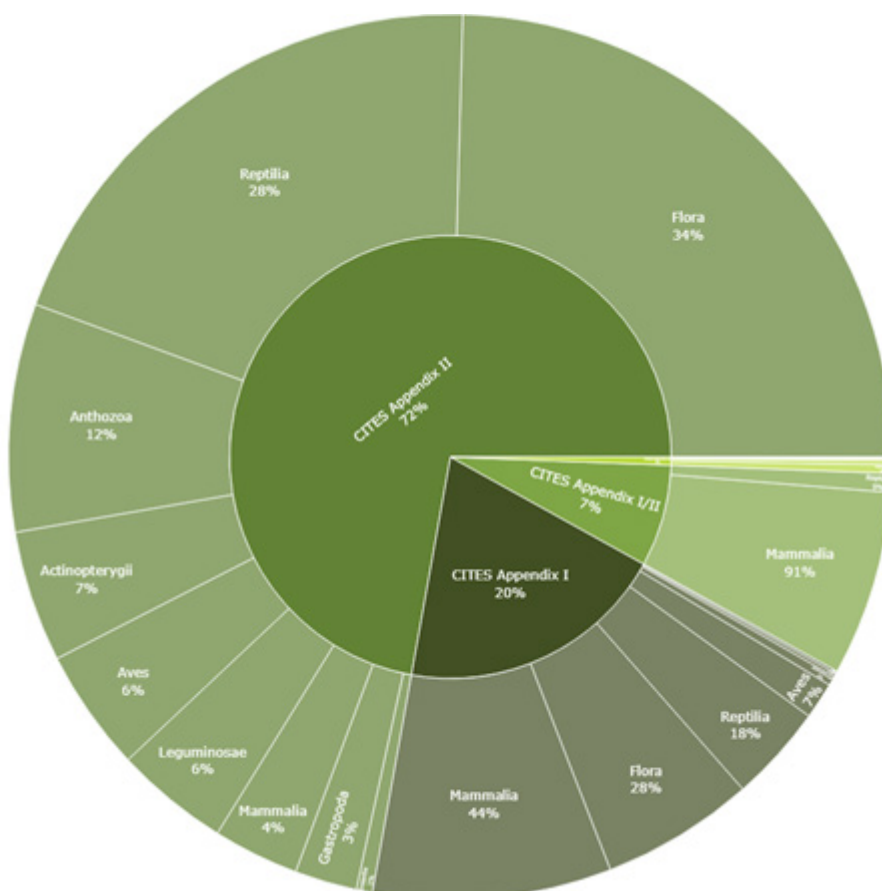
2. Wildlife

¹ One case could contain various commodity types, each unique type is considered a seizure, and therefore, one case could comprise more than one seizure.

In 2022, the WCO Member Customs administrations cumulatively reported seizures of over 1,388,813 units of fauna and flora species, involving 3,149 cases that contained 3,428 seizures¹. It was found that 159 Members played various roles in fauna and flora trafficking, i.e. as departure, transit, or destination points. Despite an increase in the number of seizures by 4% in 2022 compared to 2021, the number of trafficked units of wildlife commodities decreased by 54%.

The primary instrument for regulating wildlife trade is the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). The species protected under CITES are listed in three Appendices, according to the degree of protection they need. Appendix I includes species threatened with extinction, Appendix II includes species not necessarily threatened with extinction, but which may become threatened unless trade is closely controlled, while Appendix III lists species that need the cooperation of other Members to prevent unsustainable or illegal exploitation.

Figure 2: Number of wildlife seizures by CITES Appendix, 2022



As presented in Figure 2, in 2022, most of the seizures reported by the WCO Members were related to commodities listed in Appendix II, comprising 68% of the total number of seizures. Among Appendix II species, Flora, Reptilia, and Anthozoa species were the most vulnerable to being illegally traded and were detected in 34%, 27%, and 11% of the 2,316 Appendix II seizures respectively. In regard to Appendix I, Mammalia were the most commonly trafficked species, accounting for 44.3% out of the 635 seizures of Appendix I-listed species. Other Appendix I species, included Flora species (28% of the cases), and Reptilia, which made up 18% of the seizures related to Appendix I. Seizures related to Appendix III were infrequent, comprising only 0.6% of the total number of seizures, with Mammalia being the largest category and accounting for 53% of the 19 seizures.

In addition to species listed under CITES, there were 220 seizures of non-CITES-listed species, constituting 6% of the total number of seizures.

Figure 3: Number of wildlife seizures by category, 2021-2022

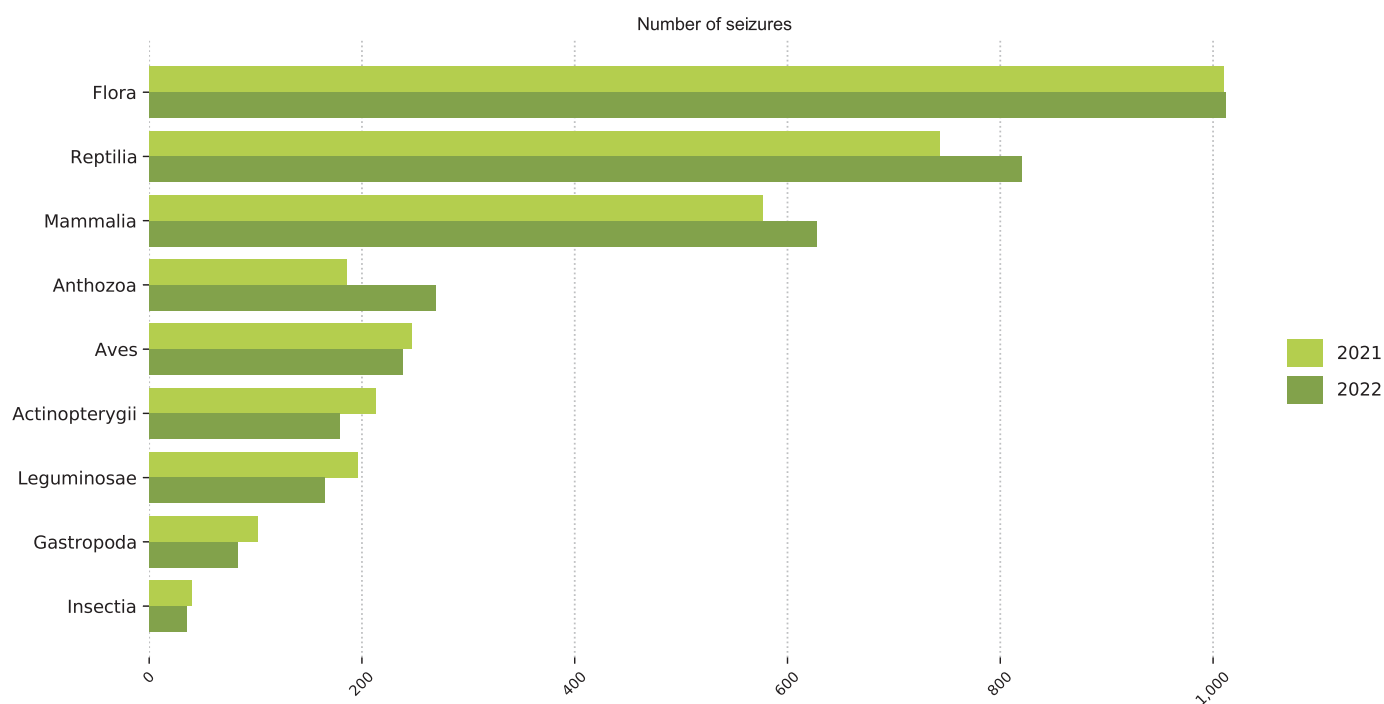


Figure 3 presents the number of seizures by categories of wildlife commodities. Comparing the number of seizures of various types of Fauna and Flora species in 2021 and 2022, it can be concluded that four categories (Flora, Reptilia, Mammalia, Anthozoa) saw an increase in the number of seizures, while the remaining five categories (Aves, Actinopterygii,

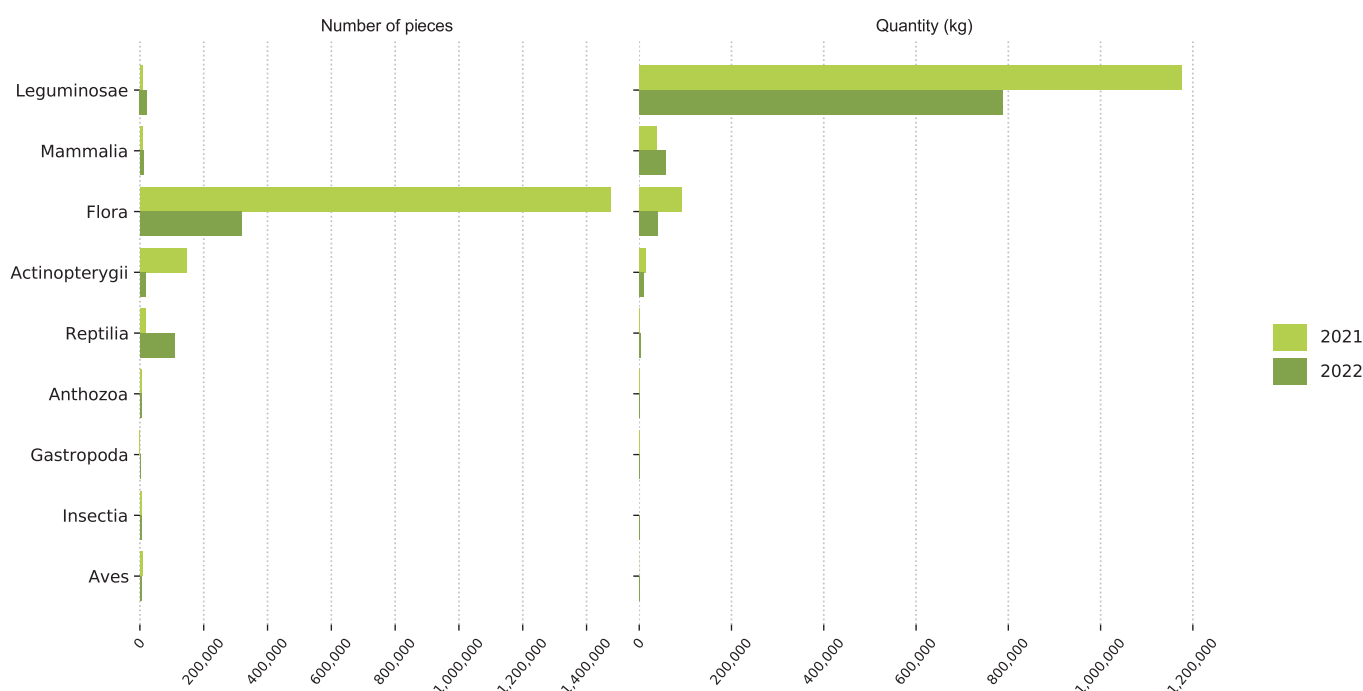
Leguminosae, Gastropoda and Insectia) saw a decrease. Despite this, the overall number of seizures increased by 4%, from 3,316 seizures in 2021 to 3,428 seizures in 2022. The category with the largest increase was Anthozoa, with seizures increasing from 186 to 269, representing a 44% increase. Reptilia, Mammalia, and Flora also saw increases in the number of seizures by 10%, 9%, and 0.5%, respectively. On the other hand, Gastropoda, Actinopterygii, Leguminosae, Insectia, and Aves all saw decreases in seizures by 18%, 16%, 16%, 13%, and 4%, respectively.

Courtesy: Thailand Customs



Courtesy: India Customs



Figure 4: Quantity of wildlife species by category, 2021-2022

As reflected in Figure 4, the total quantity of seized products, measured in terms of cumulative kilograms and pieces, decreased by 54% from 2,993,965 units in 2021 to 1,388,813 units in 2022. This reduction was primarily due to a 71% decrease in the number of seized pieces, with a fall from 1,671,931 pieces to 491,235 pieces. A comparison of the quantity of seized pieces for each Fauna and Flora category between 2021 and 2022 revealed a decrease in all but four categories, with a decline of 34%, 14%, and 12% for Aves, Insectia, and Anthozoa, respectively. Actinopterygii saw a significant 88% decline in the number of pieces seized in 2022, while Leguminosae and Gastropoda increased by 154% and 125%, respectively.

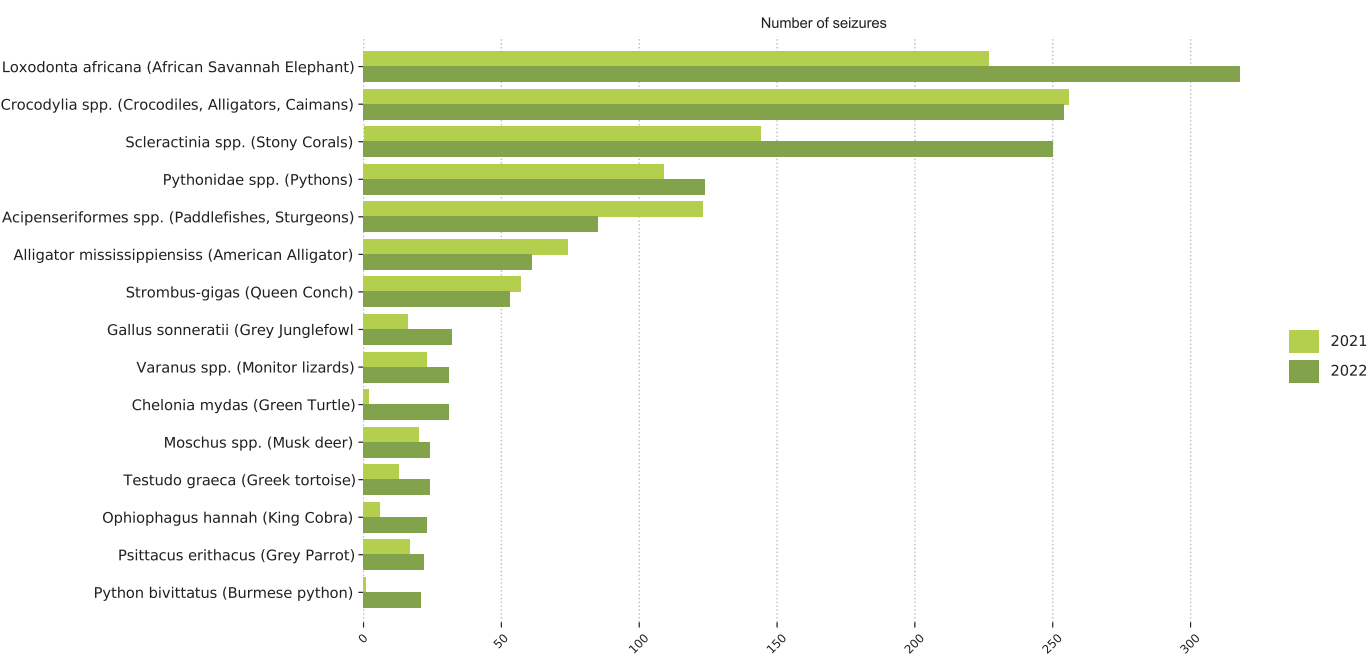
The seized quantity of products, measured in terms of cumulative kilograms, decreased by 32% from 1,322,034 kg in 2021 to 897,579 kg in 2022. This decrease was mainly due to the reduction in the quantity of seized kilograms of Leguminosae, Flora, Actinopterygii, and Gastropoda. Conversely, Aves, Anthozoa, Reptilia, and Mammalia showed a significant increase in seized kilograms, with Mammalia spiking from 37,053 kg in 2021 to 57,411 kg in 2022 and Reptilia rising from 2,024 kg to 3,285 kg in the following year.

It is evident from the comparative data that there have been changes in the number of seizures and quantity of seized products for various categories of Fauna and Flora between 2021 and 2022. While there have been increases in seizures of certain categories such as Anthozoa, Reptilia, and Mammalia, there have also been decreases in seizures of other categories such as Gastropoda, Actinopterygii, Leguminosae, Insectia, and Aves. The overall number of seizures increased slightly by 4%, but the overall quantity of seized products decreased by 32% in terms of kilograms and 71% in terms of pieces.

Courtesy: Angola Customs



Figure 5: Number of Fauna seizures by type² , 2021-2022



² Scientific name

According to the reported data presented in Figure 5, there has been a 24% increase in the number of seizures of the top 15 Fauna species, with the total number of seizures rising from 1,088 to 1,353. The two species that experienced the most significant increase are seizures of the Savanna elephant and Stony corals. In 2022, a total of 318 African Savanna elephants were seized, representing a 40% increase from the previous year. Similarly, the number of coral seizures rose by 74%, from 144 to 250 seizures in 2022.

Reptiles, including Pythons and King Cobra, were also among the species that increased in seizures in 2022, with a rise of 14% and 30% respectively. The illegal trade of reptiles is concerning as they are often subject to cruel treatment during transportation. However, it should be emphasized that out of the top fifteen species, only four species declined, specifically Paddlefishes, American Alligator, Queen Conch, and Crocodiles.

Figure 6: Quantity of Fauna seizures by type, 2021-2022

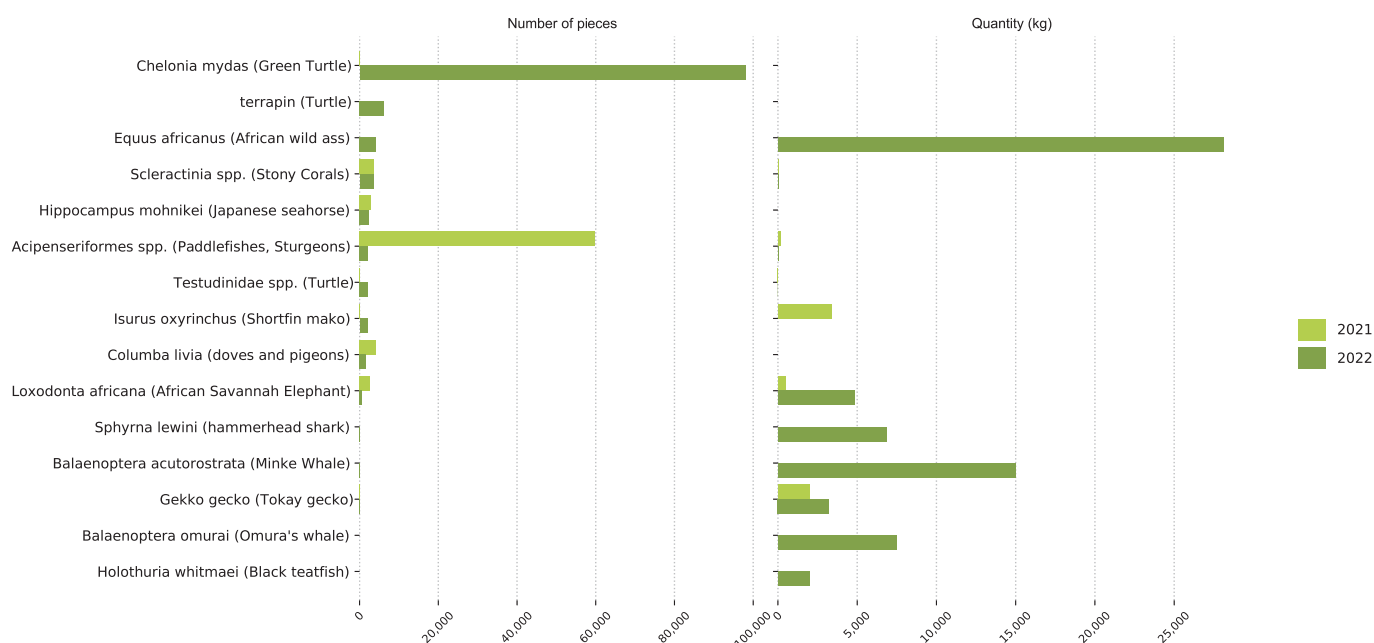
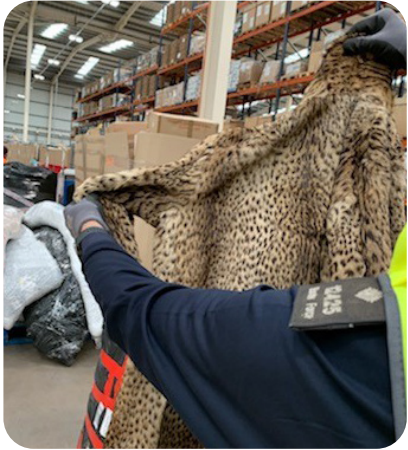


Figure 6 presents the combined amount of the top fifteen species of Fauna, which experienced a substantial growth of 140%, from 79,216 units (6,419 kg and 72,797 pieces) in 2021 to 190,315 units (67,503 kg and 122,812 pieces) in the following year. This increase was mainly attributable to the fact that nearly all of these species had no seizure recorded units in the previous year, particularly turtles, the African wild donkey, whales, and sharks. Turtles saw a remarkable rise from 2 units to

104,161 units in 2022, while the African wild donkey increased from zero to 32,293. In the same vein, whales surged from zero to 22,466 kg and 26 pieces, and sharks spiked from zero to 6,828 kg and 66 pieces.



Courtesy: UK Border Force



Courtesy: Namibia Customs

Figure 7: Number of Flora seizures by type, 2021-2022

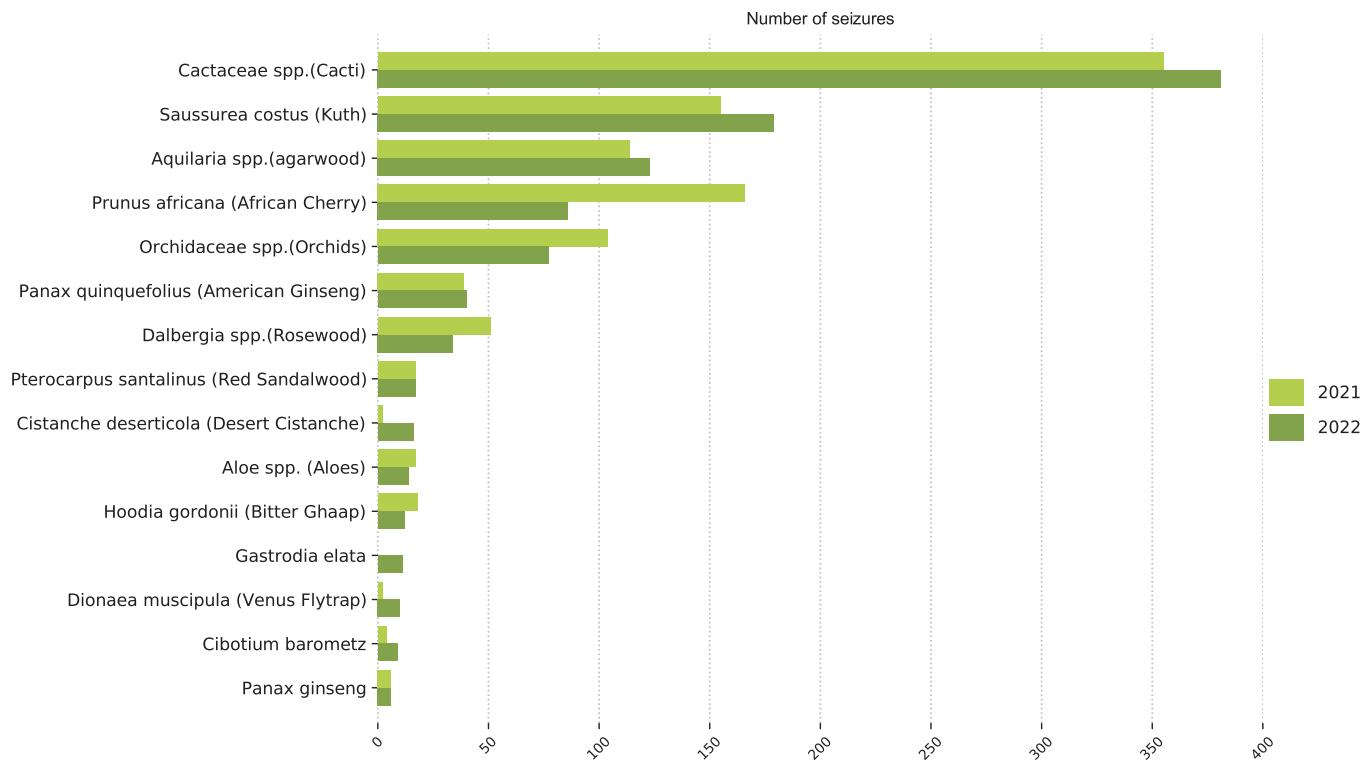
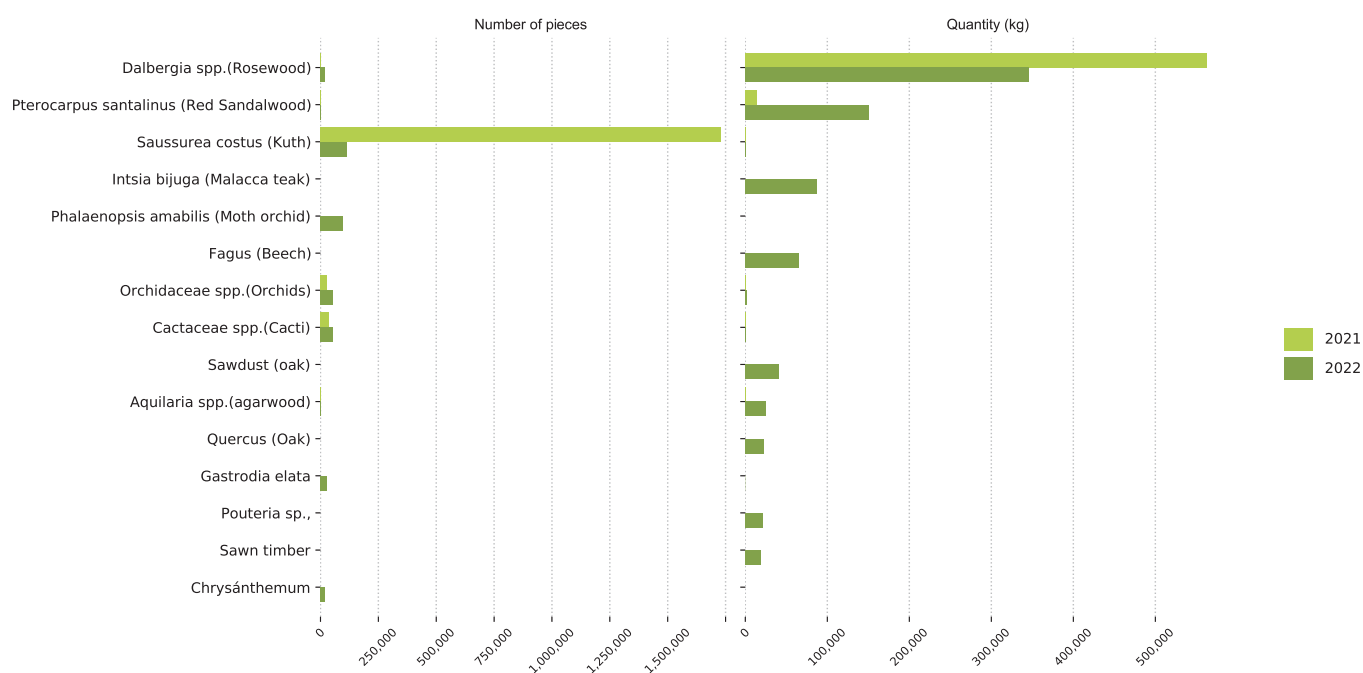


Figure 7 shows that the number of Flora seizures decreased from 1,050 in 2021 to 1,015 in 2022, with a reduction of 35 seizures among the top 15 flora products overall. However, eight of the 15 types showed a slight increase in seizures. The overall drop in the top 15 types was mainly due to a significant decrease in African

Cherry seizures, from 166 in 2021 to 86 in 2022, representing an 80% decline. Other Flora species that experienced a decline in the number of seizures included Orchids (26%), Bitter Ghaap (33%), and Aloes (3%). On the other hand, *Gastrodia elata*, Desert Cistanche, and Venus Flytrap seizures increased in 2022 by 1,000%, 700%, and 400%, respectively, compared to 2021.

Figure 8: Quantity of Flora seizures by type, 2021-2022



As depicted by Figure 8, despite the fact that 13 out of 15 species experienced an increase, the total amount of the top fifteen Flora species decreased by 46% from 2,017,527 units (578,587 kg and 1,438,940 pieces) in 2021 to 1,093,573 (780,067 kg and 313,506 pieces) in the following year. This decrease was primarily driven by the significant drop in *Saussurea costus* (Kuth) from 138,3411 to 93,328 units, resulting in a 93% decrease rate. The second largest decline was in Rosewood, which fell by 36% from 565,962 units to 362,866 units.

However, aside from these two species, all the others showed a notable increase, especially Malacca teak, Moth orchid, Fagus (Beech), *Gastrodia elata*, *Jacaranda copaia*, and Chrysanthemum, which had zero units in the previous year. Additionally, Agarwood, sandalwood, and Orchidaceous plant also increased significantly by 2,400%, 944%, and 106%, respectively.

Courtesy: Vietnam Customs



Courtesy: Peru Customs



Figure 9 shows data reported by Members with at least one seizure. Among the various types of products, Mammalia products were the most extensively trafficked, with seizures reported by 43 out of 70 Members. Reptilia were the second most widely reported category (33 Members), followed by Aves and Flora (30 Members reporting each category).

Figure 9: Wildlife seizures by type and country, 2022

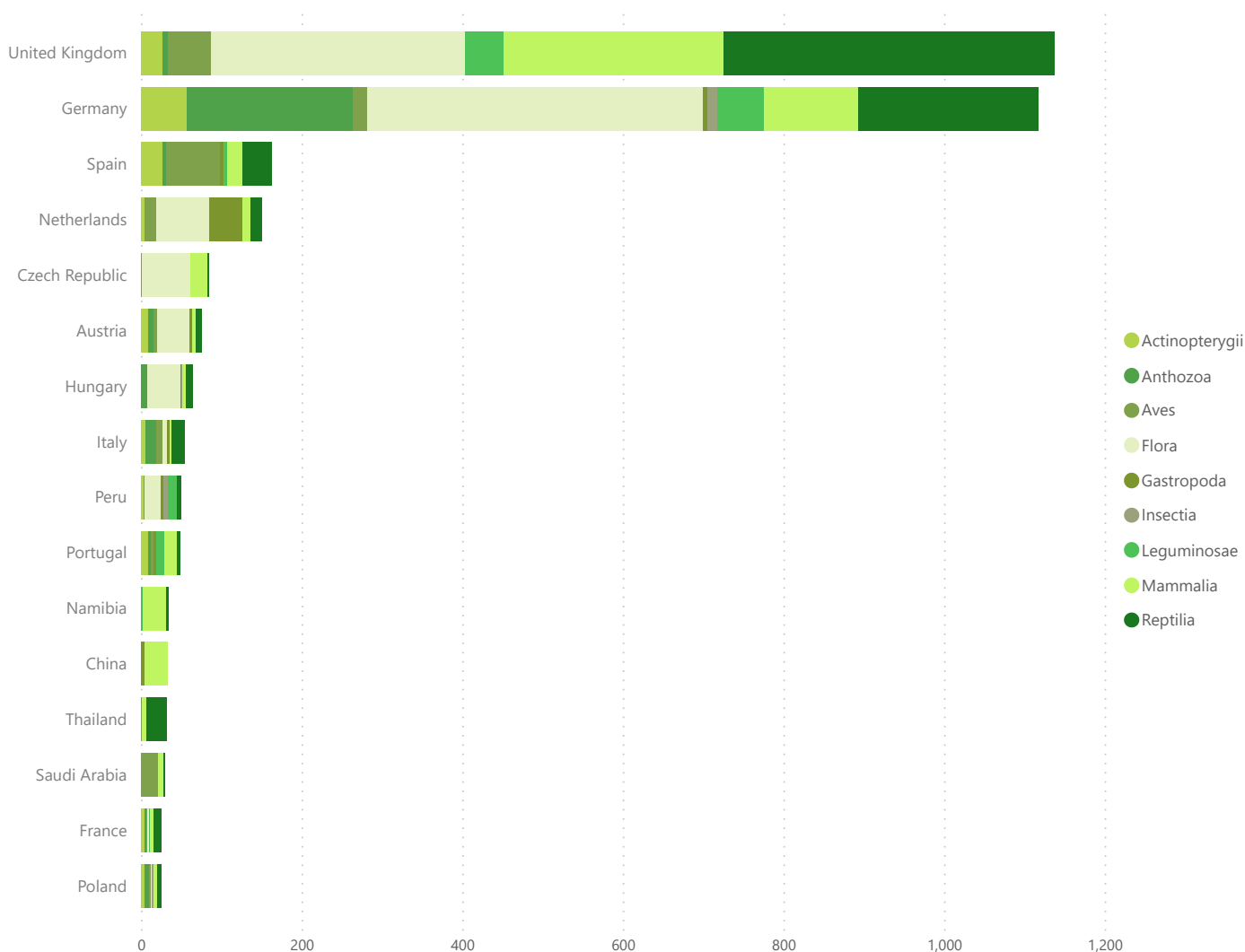
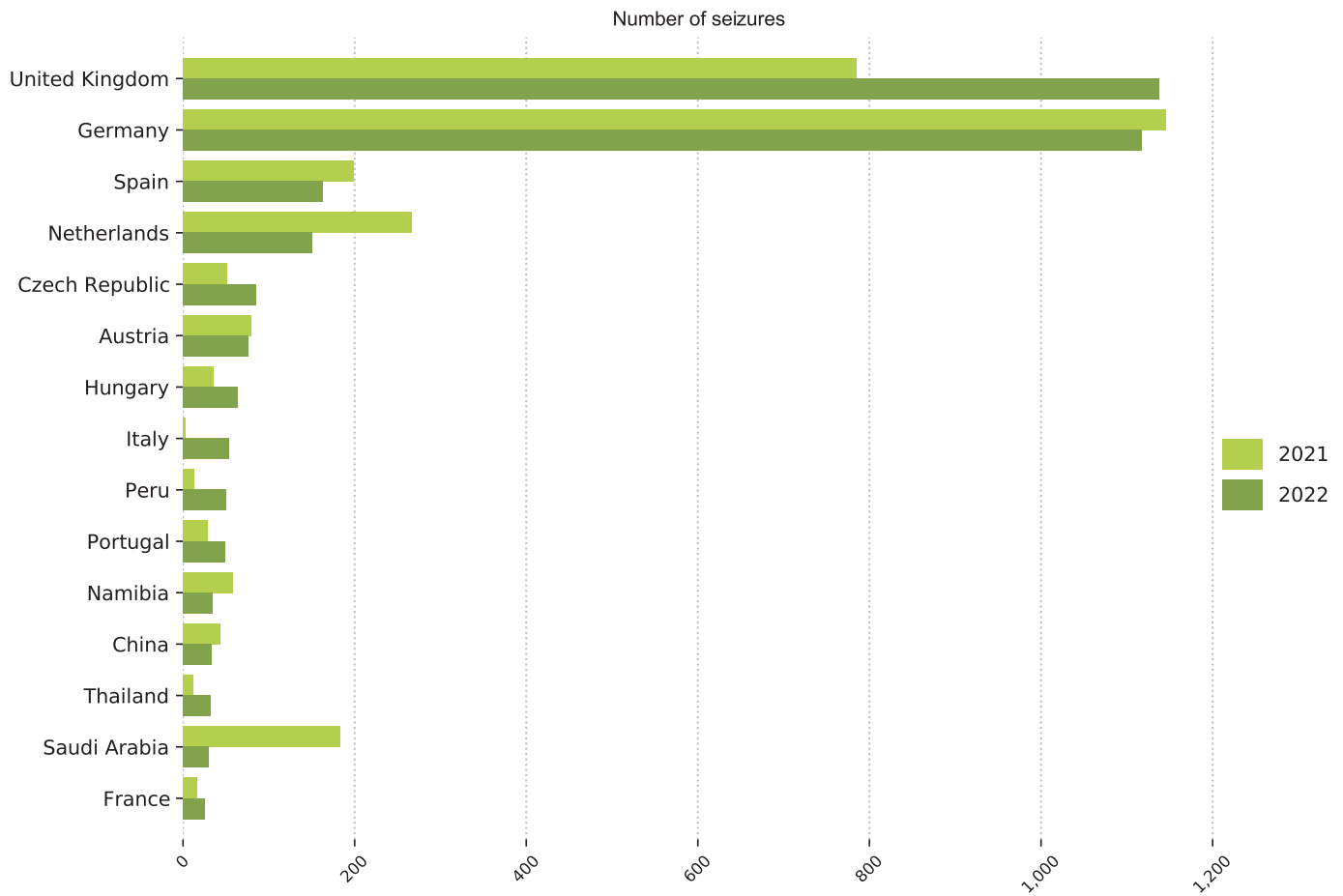


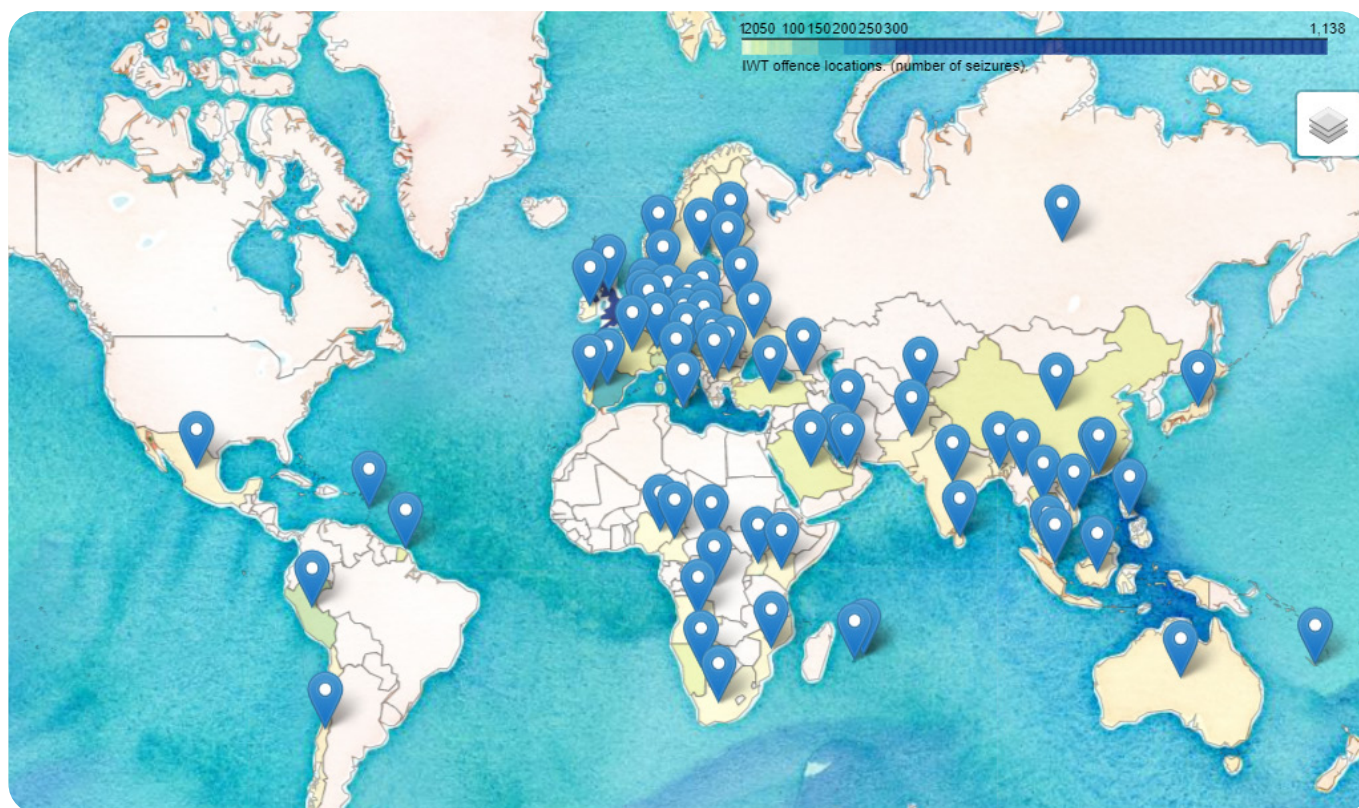
Figure 10: Number of wildlife seizures by country, 2021-2022³



³ Top 15

As portrayed in [Figure 10](#), the top 15 Members that reported seizures in 2022 accounted for 90% of the total seizures, and their number increased by 6% compared to the previous year, from 2,918 to 3,101 seizures. This increase was primarily driven by the United Kingdom, Italy, the Czech Republic, Peru, and Hungary. However, seven other Members reported fewer seizures in 2022 than in 2021, including Saudi Arabia, Netherlands, Germany, Spain, Namibia, China, and Austria. Overall, the trend across all Members reporting seizures in 2022 was upward, with a total of 3,428 seizures reported, representing a 4% increase.

Figure 11: Seizure locations of illicit wildlife trade, 2022



As shown in [Figure 11](#), seventy Members were locations for illicit wildlife trade in 2022, almost 50% of these locations were in Europe (32 Members), Asia comes second as the seizures occurred within seventeen Members in this region. Eleven Members from Africa were also offence locations for illicit wildlife trade.

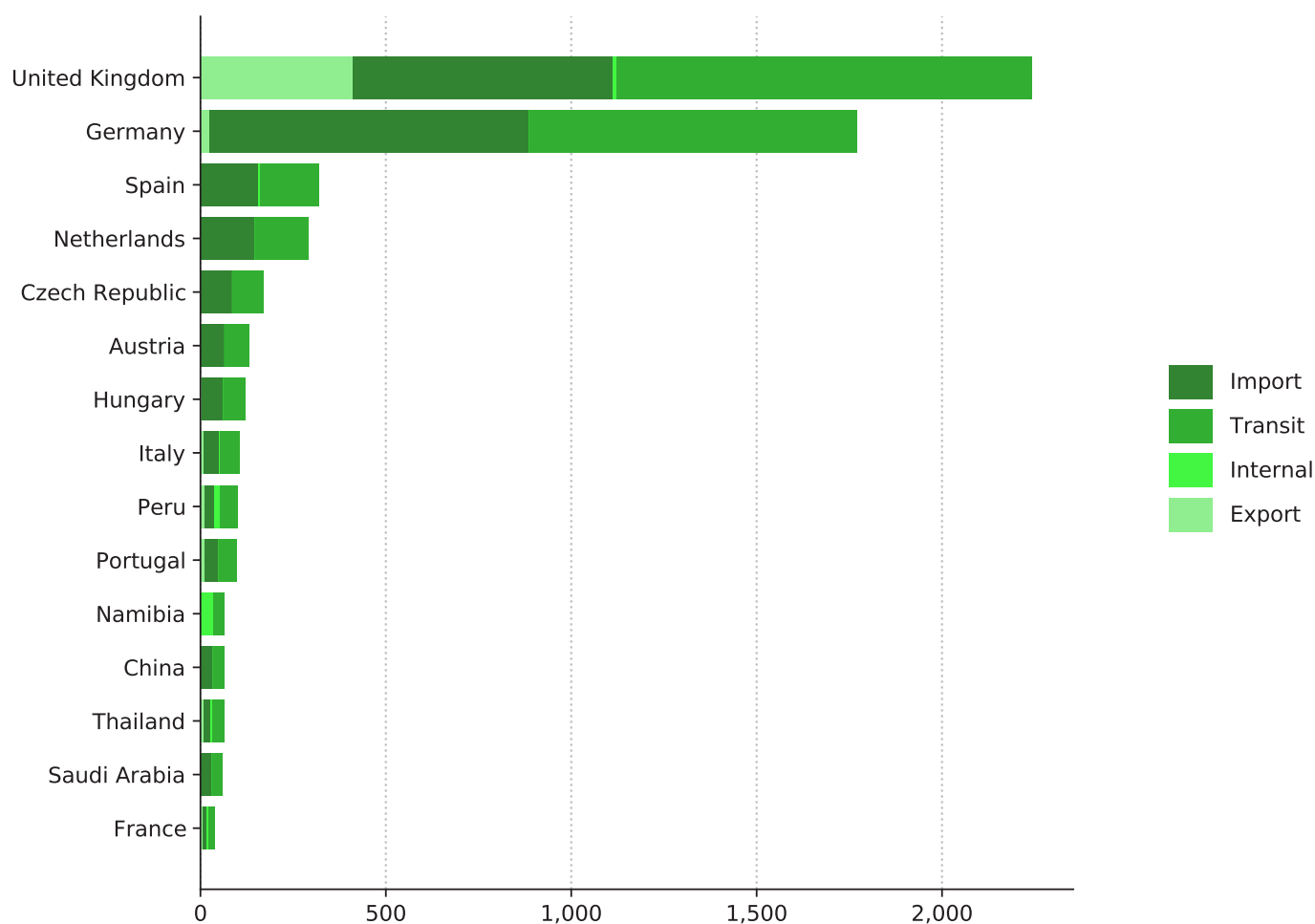
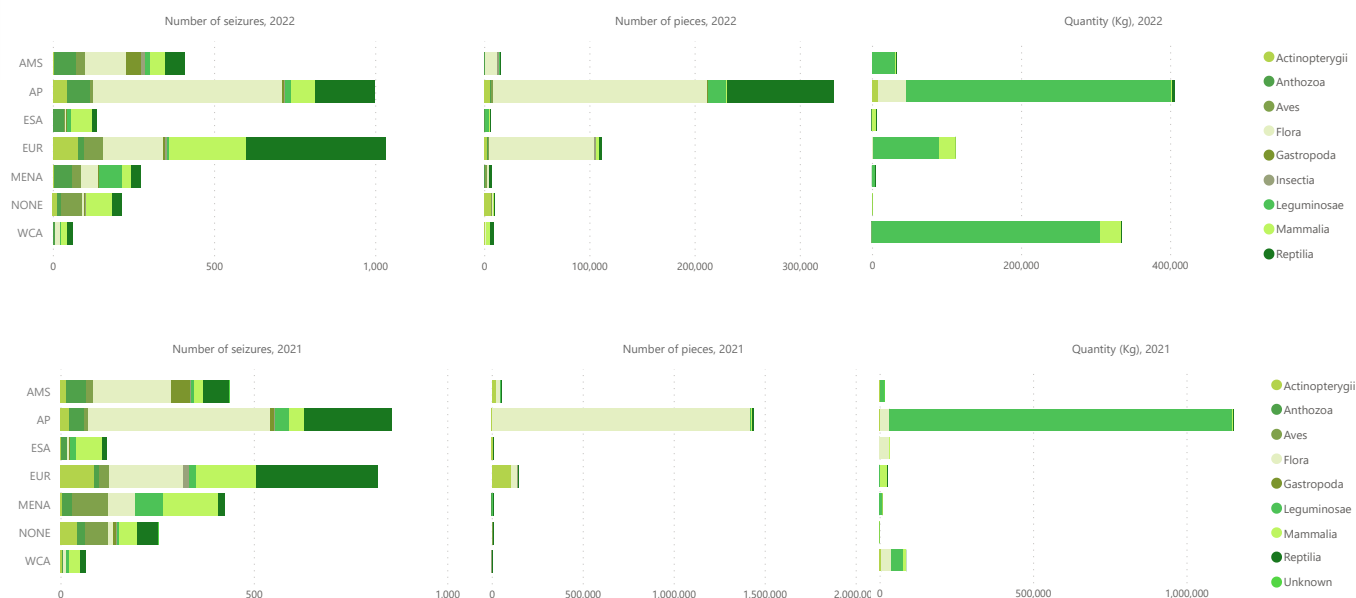
Figure 12: Number of wildlife seizures by country and direction, 2022

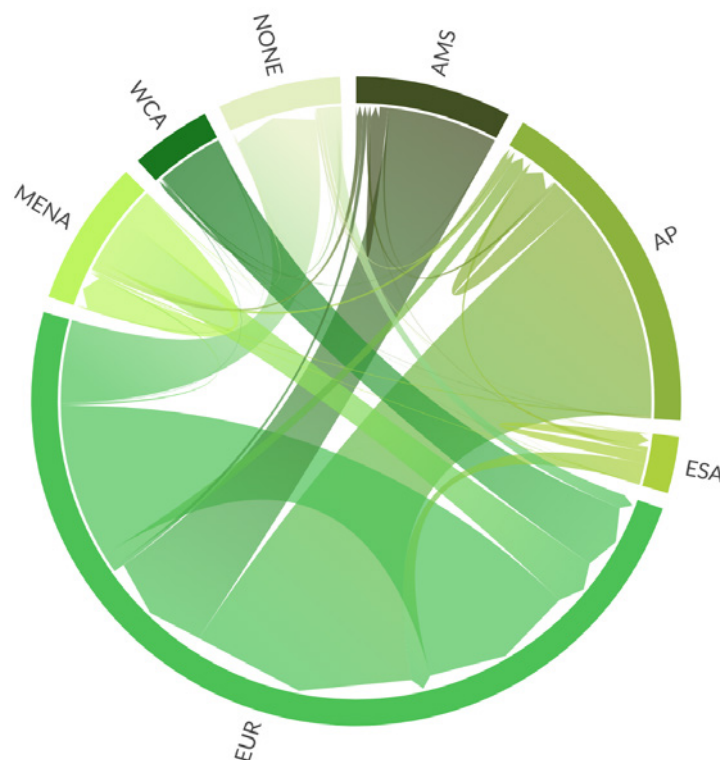
Figure 12 demonstrates that in regard to the direction of the seized shipments, it was evident that the majority of seizures occurred at import, with 74% of the 3,101 cases effected by the top 15 reporting Members. Germany reported the highest number of import seizures with 38% of cases, followed by the United Kingdom with 31%. The next most common type of seizure involved illegal wildlife being exported to other international destinations, accounting for 15% of cases, with the United Kingdom reporting 87% of these seizures and Germany reporting 5%. Transit seizures represented 9% of the total seizures, with Germany reporting 82% and the United Kingdom reporting 6%. Finally, internal seizures made up only 2% of reported seizures, with Namibia reporting half of the seizures, followed by Peru with 21% and the United Kingdom with 13%.

Figure 13: Number of wildlife seizures and quantity seized by category and region, 2021-2022

As depicted by [Figure 13](#), Europe accounted for the majority of reported seizures and confiscated units, with Flora, Reptilia, and Mammalia being the most commonly seized categories. Between 2021 and 2022, Europe reported a rise of 9% in seizures but a significant decrease of 746,957 units, mainly due to a drop in flora and Actinopterygii. The Asia-Pacific region came second in terms of both seizures and intercepted units, with Mammalia and Reptilia being the most frequently seized categories. However, in 2022, the Asia-Pacific region reported a fall of 15% in seizures and a significant decrease of 833,047 units, mainly due to a decrease in the seizures of Leguminosae.

The other regions reported fewer seizures and intercepted units, except for the Americas region, which reported 20,230 more units than the previous year. The most commonly reported categories by these regions were Mammalia (East and Southern Africa (ESA), Aves (North of Africa, Near and Middle East (MENA), Leguminosae, and Insectia (Americas and Caribbean (AMS).

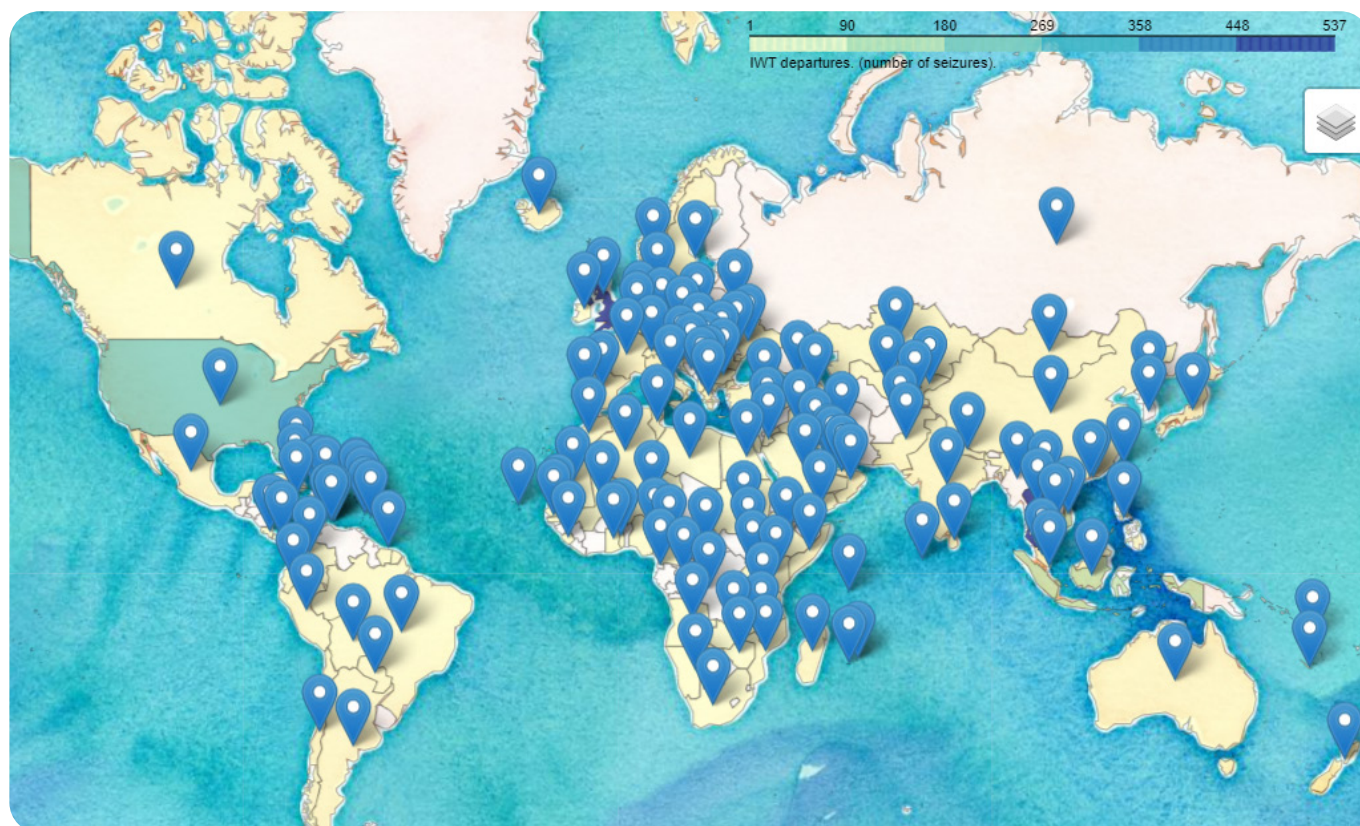
Figure 14: Wildlife trafficking flows by region⁴, 2021-2022



⁴ In regard to the number of seizures

Figure 14 shows that for approximately two-thirds of the recorded seizures, Europe and Asia-Pacific were the departure regions, with the two regions contributing roughly in equal measure. Europe accounted for over half of its seizures destined for other Members within the same region, while the Asia-Pacific region had the largest quantity of departures, with 88% destined for Europe. In terms of quantity, Europe ranked third after Asia-Pacific and West and Central Africa. The largest categories of illegal wildlife that originate from both regions were Leguminosae, Flora, and Reptilia.

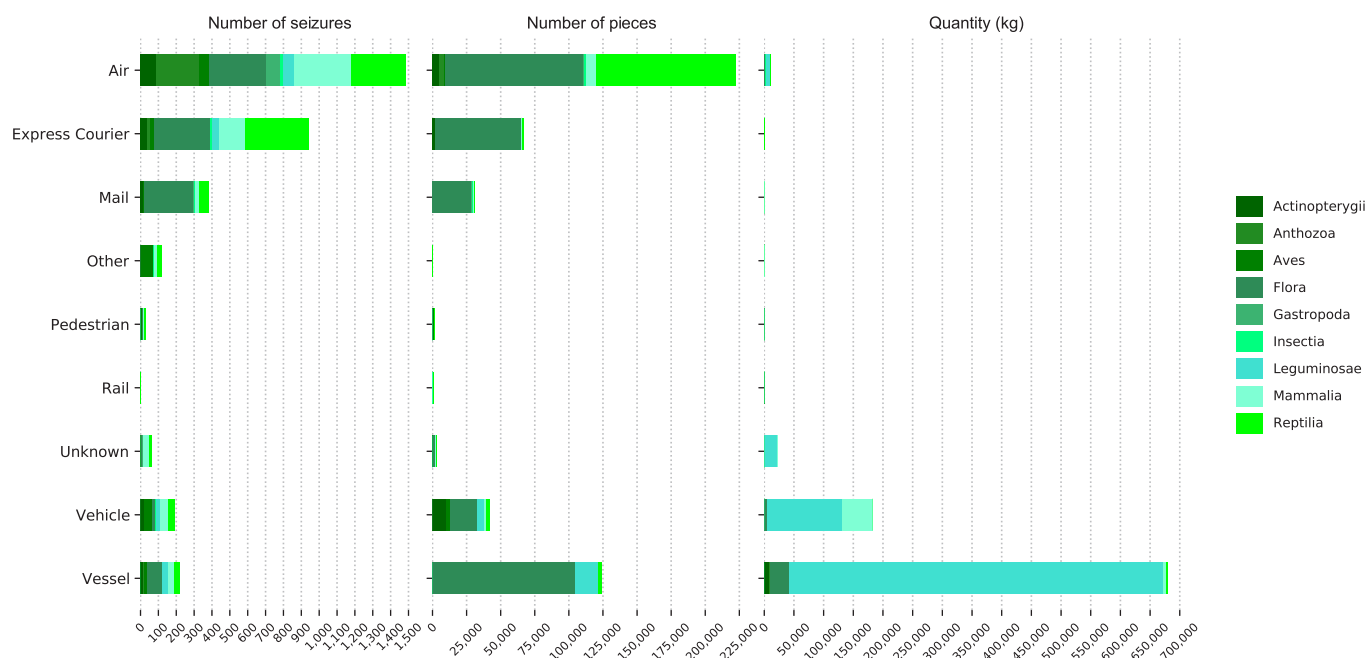
Europe received the most illegal wildlife from the Asia-Pacific region Members, while Members within the same region received 9% of the seizures containing 37% of the goods departing from the region. The Americas had the smallest share of departures, with Leguminosae, Flora, and Insectia being the largest categories. A majority of the seizures destined for Europe came from the Americas, while Members within the American region received the largest share of the trafficked species. Only 16% of the seizures came from West and Central Africa (WCA), MENA, and ESA regions combined, but WCA was responsible for a significant proportion of the total intercepted units. The Asia-Pacific region was the main destination for 90% of the contraband intercepted in WCA.

Figure 15: Departures of illicit wildlife trade, 2022

As shown in [Figure 15](#), there were 141 departures for illicit wildlife trade in 2022. It is obvious from the map above that wildlife trafficking is prevalent in all WCO regions with no exceptions regardless to the intensity of this trafficking which varies from one region to another.

[Figure 16](#) demonstrates the number of seizures and quantity seized by type and conveyance method. From the 3,428 seizures of Fauna and Flora reported in 2022, 43% of illegal wildlife quantity were smuggled through air transportation, resulting in 1,484 seizures. Of these seizures, 21% involved Flora and yielded 102,961 units. Reptiles and mammals were the most commonly seized types of fauna transported by air, representing 42% of all air seizures. Although the number of seizures of both reptiles and mammals was similar, the quantity of reptiles seized (102,142 units) was much higher than that of mammals (7,858 units).

Mail and express courier seizures accounted for almost 40% of the reported seizures, with 586 seizures resulting in 91,965 units of Flora being seized. Reptiles were the most commonly seized type of Fauna transported through mail and express courier, with 405 seizures involving 1,095 pieces. While incidents involving insects and Actinopterygii through mail were relatively low (15 and 38, respectively), the quantity seized was the largest among all Fauna mail seizures.

Figure 16: Number of wildlife seizures and quantity seized by type and conveyance method, 2022

Air seizures were not only more frequent than mail seizures, but they also accounted for more units seized overall. However, Flora and reptiles were exceptions as air seizures in these two categories were less frequent but contained more units than mail seizures. For example, although the number of air seizures involving Flora (320) was lower than mail seizures (586), the number of Flora units seized through air seizures (102,961) was higher than what was seized through mail seizures (91,930). Similarly, while 50% of reptile seizures were transported through mail compared to 37% through air, 92% of reptile units were transported through air.

Vessels, as a conveyance mode, accounted for 6% (219 seizures) of all seizures, carrying 58% (804,901 units) of all seized units in 2022. Leguminosae and Flora accounted for 97% of the total units transported by vessels, and these two types constituted 50% of all vessel seizures. Mammals and reptiles were the most commonly seized types of Fauna transported through vessels, with 66 instances comprising 11,029 units.

The frequency of vehicle seizures was similar to that of vessel seizures, but the number of seized units transported through vehicles was much less (16%) than that transported through vessels (59%). Birds, mammals, and reptiles were the most frequently seized types of Fauna transported through vehicles, accounting for 65% of all vehicle seizures. However, Leguminosae was the largest type, in terms of

quantity, transported through vehicles, accounting for 60% of all units transported through vehicles. Mammals were the second largest type, accounting for 24% of all units transported through vehicles.

Figure 17: Fauna and Flora seizures by detection method, 2022

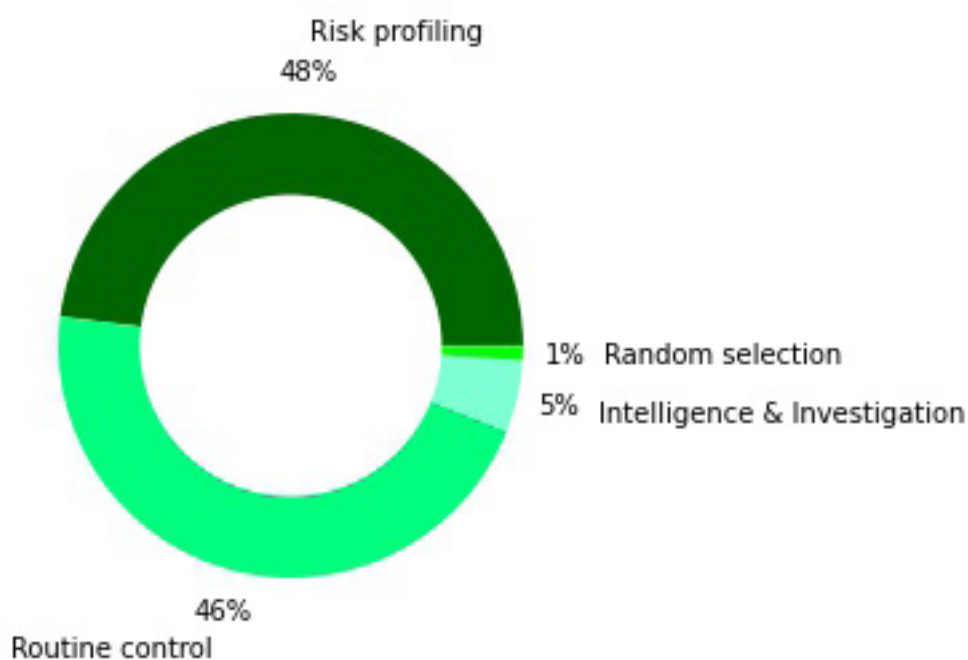


Figure 17 illustrates that the primary method of detecting illegal wildlife trade (Flora and Fauna) was through risk profiling, which accounted for 48% of all seizures and 50% of the total quantity. Europe used this detection method most frequently, with 94% of the seizures identified through risk profiling occurring in this region, followed by the Americas (3%) and Asia (2%).

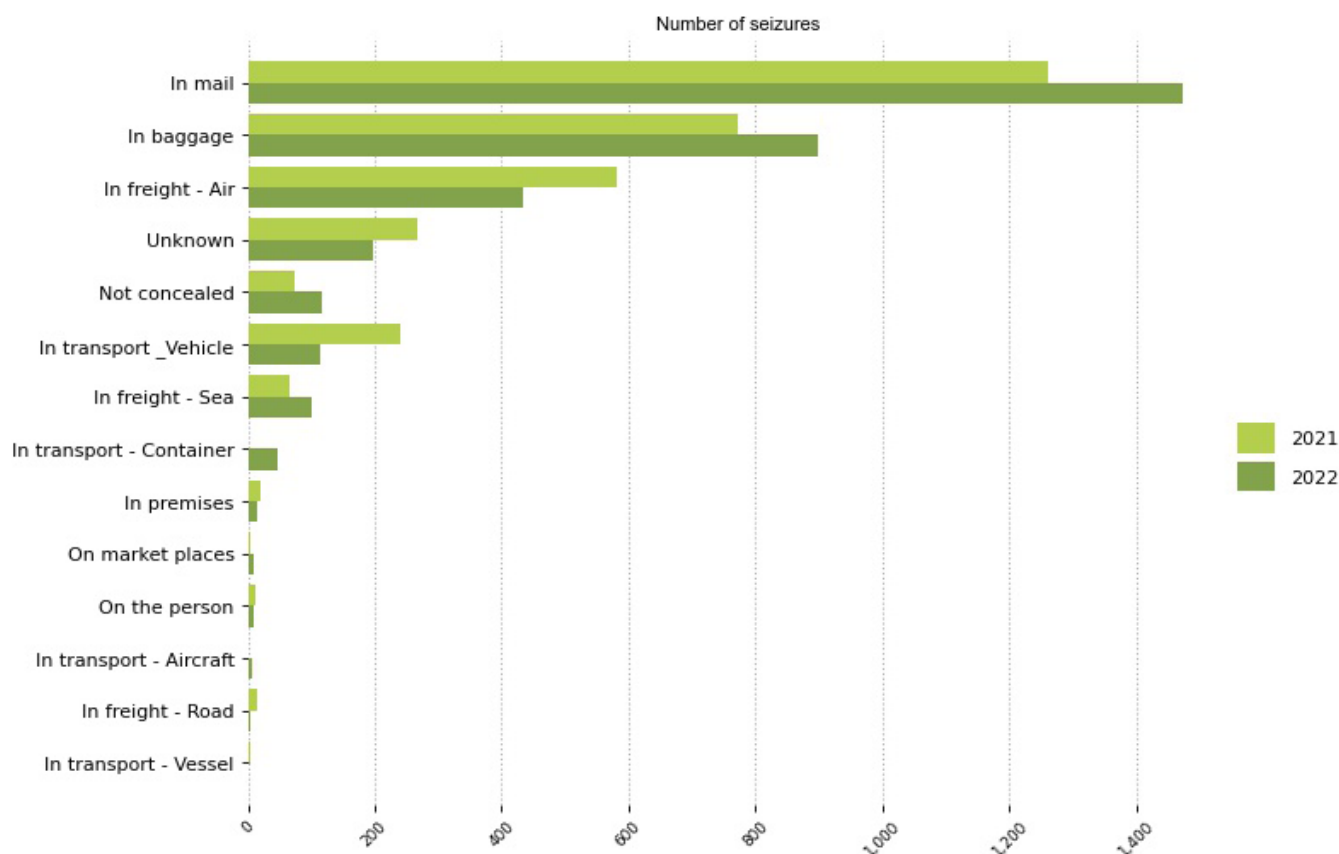
Routine control was the second most commonly used detection method, accounting for 46% of seizures. However, this method only identified less than 20% of the total quantity seized in 2022. Routine control was the most commonly used method in the MENA region, accounting for 89% of the seizures detected, and the second most commonly used method in Europe.

Intelligence and investigations were used to detect 5% of all seizures, and this method identified 30% of the total quantity seized. This method was used most frequently in Asia, followed by Europe.

Most regions maintained a balance between the use of risk profiling, intelligence, investigations and routine control.

As demonstrated by Figure 18, the most commonly used method of concealing Fauna and Flora in 2022, was by packing them into small parcels, which accounted for 43% of all seizures. These parcels contained nearly 7% of the total quantity of seized items. Mail seizures also increased by 17% (213) from the previous year, with the number of concealed items increasing by 7% (6,453). Europe reported the vast majority (98%) of mail seizures, and it was the primary concealment method used for seizures of Flora, Reptilia, and Mammalia.

Figure 18: Fauna and Flora number of seizures by concealment method, 2021-2022



Concealing Fauna and Flora in baggage was the second most popular method, accounting for almost 26% of all seizures. This method was frequently used to conceal Anthozoa, Mammalia, Flora, and Reptilia. Europe was responsible for 89% of the seizures of this type, followed by Asia. This method concealed a relatively small amount of the total quantity (less than 1%), even with an increase of 10% in comparison to 2021.

Despite being the third most frequent method of concealment (13%), air freight was used for concealing the largest quantity (33%) compared to other methods. However, there was a 25% decrease in the use of this method compared to the previous year. Europe and Asia reported 91% of air freight seizures. Concealing wildlife species in sea freight and transport vehicles was less common but accounted for 20% of the total quantity concealed.

Figure 19: Quantity of Fauna and Flora seized by category and concealment method, 2022

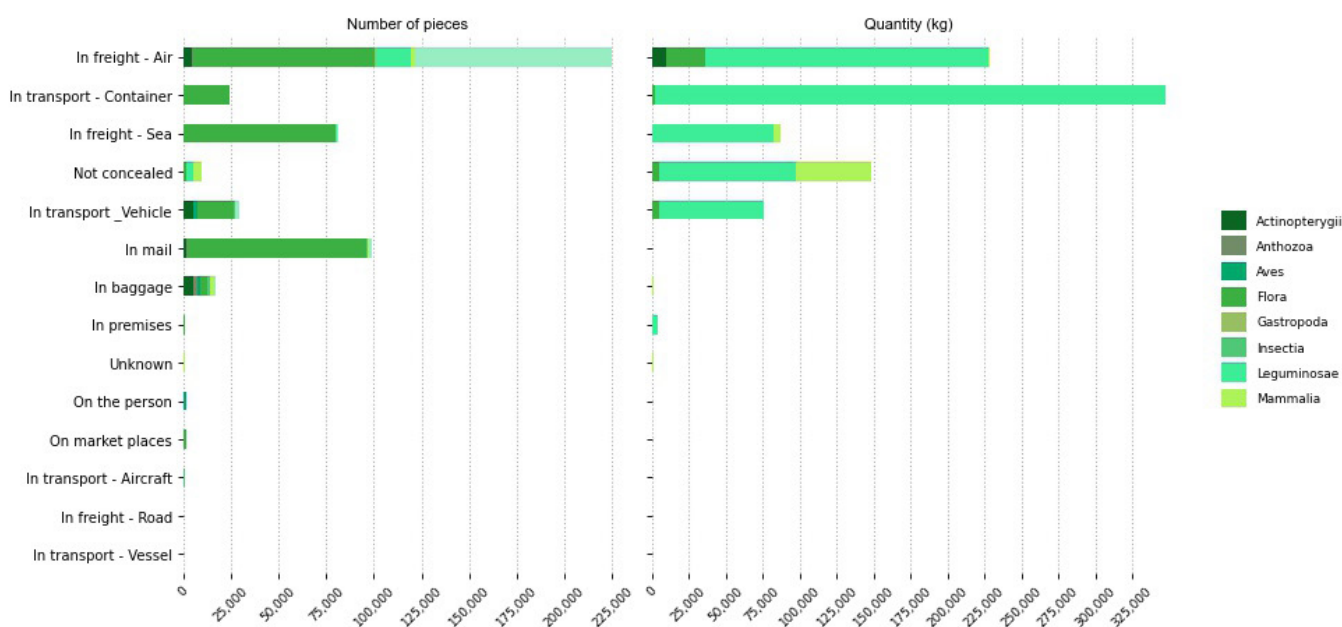


Figure 19 shows that air freight was primarily used to hide Reptilia (91% of the category total), Actinopterygii (50%), Gastropoda (40%), and Flora (34%) during transportation. Leguminosae was the main category concealed in containers during air transport.

Sea freight was commonly used to conceal Flora, Leguminosae, and Mammalia, although the latter was frequently seized without concealment. The most frequently concealed categories in baggage were Anthozoa, Insectia, Aves, and Gastropoda. Flora, Insectia, Actinopterygii, Anthozoa, and Aves were concealed in small parcels, while Aves, Actinopterygii, and Insectia were the most commonly concealed categories in transport vehicles.

2.1. Members' Survey on Wildlife

33 Members provided seizure data on wildlife in the Members' Survey. 18 Members were from Europe, 11 from Asia and 2 from the Americas. The survey shows that Myanmar, the Czech Republic, Norway, Hong Kong (China) and Ecuador were offence locations for more wildlife units than what was reported to the CEN database. The survey affirmed the data which was reported to the CEN.

2.2. Overall trends in wildlife trafficking

The CEN, or the Customs Enforcement Network, is a central depository which serves as a platform for Customs administrations to collaborate and share enforcement-related information on illicit trade activities, including the illegal trafficking of wildlife. WCO Member administrations voluntarily report their seizures to the CEN platform, and the data is subsequently compiled into a database and used for analysis and intelligence-led actions. Open-source data, on the other hand, are gathered from various publicly available sources such as government agency reports, NGO publications, media coverage, and police records. For the purpose of this analysis, open-source information has been compiled and used to complement the data reported in the CEN.

Together, these sources can offer a more comprehensive overview of the global trends in illegal wildlife trade and the effectiveness of enforcement measures. However, it is important to note that there may be instances of data duplication, which can affect the accuracy of the results. Therefore, it is crucial to exercise caution when interpreting these findings and to rely on multiple sources of information for a more comprehensive understanding of the illegal wildlife trade state of play.

Figure 20: Wildlife seizures by data source, 2021-2022

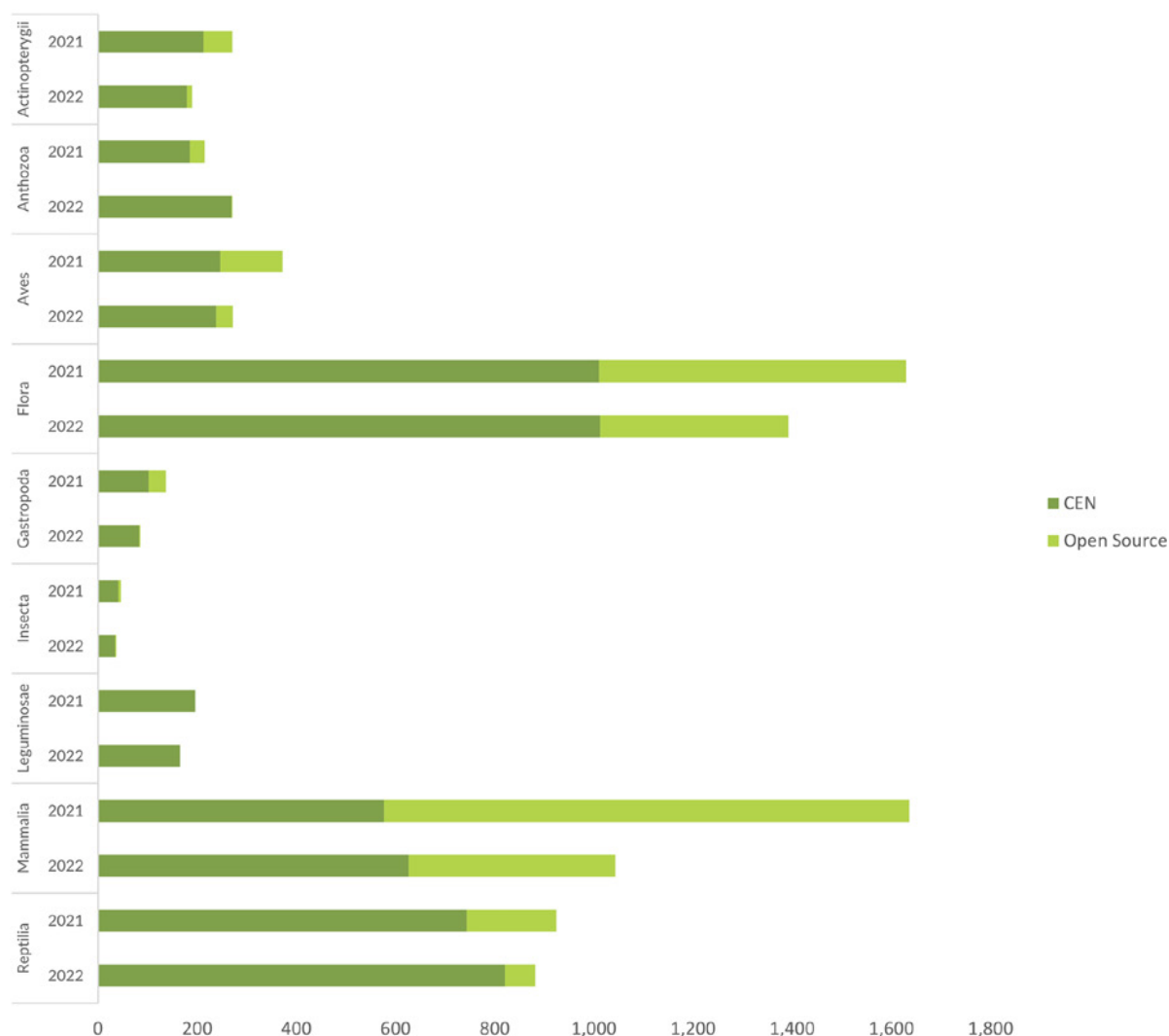


Figure 20 depicts the number of seizures reported on CEN and open-source data. In 2022, a total of 3,428 wildlife seizures were reported to CEN. In the course of the analysis, 900 seizures of wildlife were found in open-sources. Flora seizures accounted for a significant proportion of both CEN and open-source seizures, comprising 30% (1,012) and 42% (381) respectively. However, while open-source Flora seizures decreased by 38%, CEN seizures remained almost unchanged between 2021 and 2022. Mammalia seizures were also frequent from open-sources, representing 48% of open-source wildlife seizures in 2022, although they only made up 18% of CEN seizures. Furthermore, there was a decrease of 61% in Mammalia seizures reported from open-source compared to the previous year.

On the other hand, Actinopterygii, Aves, Gastropoda, and Insecta seizures were confirmed to be on a downward trend based on open-source data. Meanwhile, CEN seizures for Mammalia, Reptilia, and Anthozoa recorded an increase of 9%, 10%, and 45% respectively. However, open-source data showed a decline in seizures for these species.

2.3. Operation THUNDER 2022

Operation THUNDER 2022 was a joint effort by 125 countries to disrupt and dismantle criminal networks involved in the illegal trade of wildlife and forestry products. The Operation was coordinated by WCO and INTERPOL. The objective of the Operation was to seize illegal wildlife trade products by using intelligence gathered from the reporting countries. The operation focused on identifying the source, transit, and destination of illegal trade in protected wildlife and forestry products.

Despite the high participation rate in the Operation, the reporting rate by countries was only approximately 35%, with Europe and the Americas reporting the most seizures. The data collected by the WCO confirmed an upward trend in wildlife and timber seizures, with a 56% increase in 2022 compared to 2021, and a 10% increase compared to 2020. These statistics suggest that illegal wildlife and timber trade is still prevalent, and traffickers are employing various techniques which are evolving, to evade applicable laws that prohibit this illicit crime.

⁵ The graph does not include additional 46,362 m3 of timber.

Figure 21⁵: Main outcomes of Operation THUNDER 2022

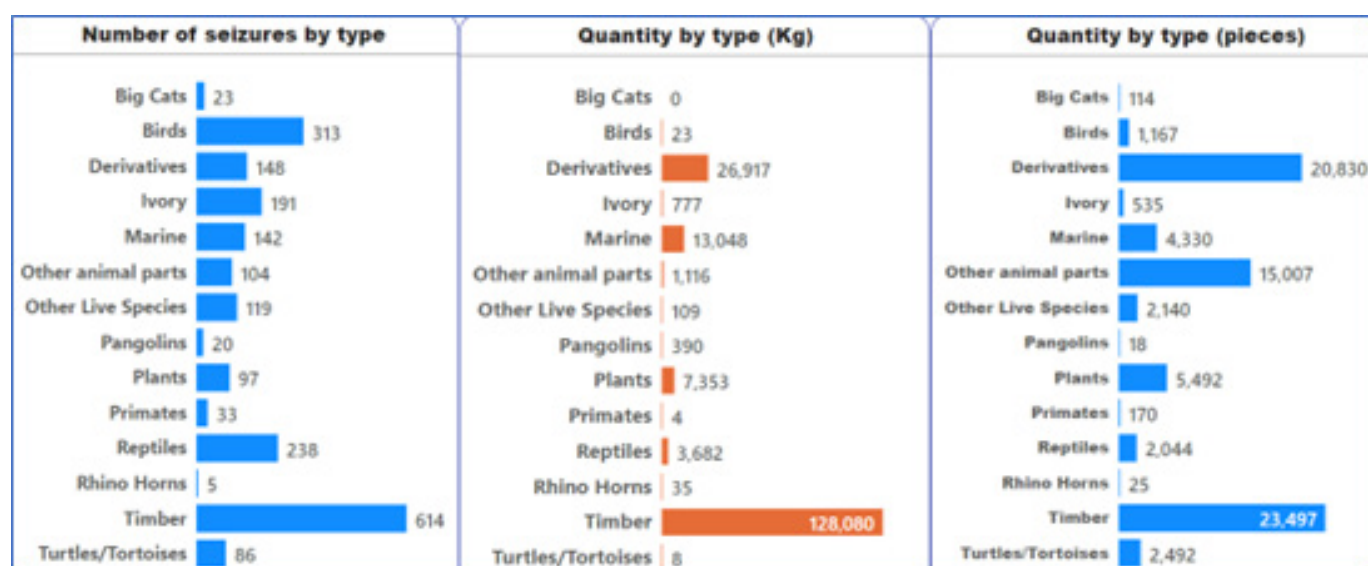


Figure 21 demonstrates that in total, Operation THUNDER 2022 resulted in 2,162 seizures, containing more than 305,000 illicit units of wildlife and timber. Timber was the most commonly seized item, both in terms of quantity and frequency, with an increase in the quantity by 75% in 2022 compared to 2021. The main categories of seized items, in terms of the number of seizures, were timber, birds, reptiles, ivory, derivatives, marine, and plants, with reptiles showing the largest increase in seizures at 700% compared to 2021.

Traffickers used 30 transit points to manipulate the routes for illicit consignments containing wildlife, with the most frequent points being Ecuador, the United Kingdom, and Romania. This highlights the need for international cooperation to identify and disrupt transit points used by traffickers.

Africa remains the main source of ivory, with Angola, the Democratic Republic of the Congo (DRC), Kenya, Zambia, and Zimbabwe being the primary countries involved. Most of the intercepted ivory was destined for China and Vietnam. Pangolins have become the most heavily trafficked wild mammal in the world, and reptiles have recently become some of the most trafficked species. Indonesia, Malaysia, and India were identified as the primary source countries for reptiles.

Timber from Indonesia was the most frequently seized item, followed by timber from Africa, which accounted for over 27% of reported seizures. Birds were the second most frequently seized item, with 313 seizures cumulatively. However, the quantity of seized birds decreased relative to previous years. Flora species were also frequently seized, particularly orchids, cacti, and charcoal, with Asia being the main departure point. Turtles and tortoises were also among the reported seizures, with Africa being the main departure point for shells and Asia being the primary origin for live specimens.

CASE STUDY 1

RHINO HORN (RHINOCEROTIDAE SPP.) SEIZURE IN CHANGI AIRPORT

On 4 October 2022, Changi airport security and NParks' K9 Unit detected and inspected two bags and seized 20 pieces (34 kg) of rhinoceros horns, estimated to be worth approximately 1.2 million USD. The owner of the bags, who was travelling from South Africa to the Lao People's Democratic Republic through Singapore, was immediately arrested and the rhinoceros horns were seized by NParks.

Concealed in 2 luggage bags were rhinoceros horns which were wrapped with a layer of transparent cling wrap, blue-colored carbon paper and aluminum foil, with each bag consisting of one empty glass wine bottle which was bubble-wrapped. X-ray and sniffer dogs detected the rhinoceros horns inside 2 cardboard boxes with baggage tags tagged to the subject in transit.

Source: CEN database and

<https://www.channelnewsasia.com/singapore/rhinoceros-horns-seized-singapore-changi-airport-nparks-largest-haul-2988641>



CASE STUDY 2

MASSIVE IVORY AND MENAGERIE OF WILDLIFE PARTS SEIZED IN MALAYSIAN PORT

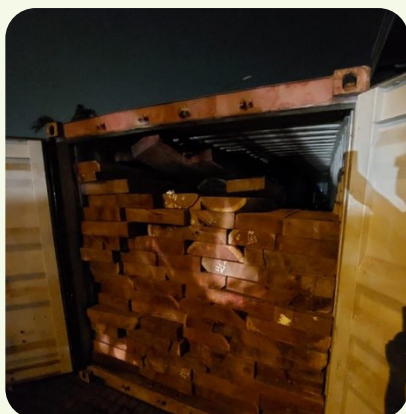
In July 2022, Malaysia made its biggest ivory seizure to date, confiscating 4.46 tonnes of elephant tusks hidden in a container that also carried 27.5 kg or tonnes (please confirm which of the two is correct) of rhino horns, 112 kg of pangolin scales, skulls, 308 kg of bones (suspected to be tiger bones) and other wildlife parts. The shipment consisted of three containers which departed from Mozambique and were declared to Malaysian Customs as timber. One of the containers hid the numerous wildlife parts behind sawn timber while the other two containers were full of the same timber, which is commonly used by traffickers to hide African ivory and pangolin scales. This seizure was made through intelligence received by Malaysian Customs.

Source: WCO CEN database Source: <https://www.traffic.org/news/massive-ivory-and-menagerie-of-wildlife-parts-seized-in-malaysian-port/>

Courtesy: Malaysia Customs



Courtesy: Malaysia Customs



CASE STUDY 3

In October 2022, Nigeria Customs seized 376 kg of pangolin scales in an internal seizure detected by follow up investigations into the wildlife criminal groups importing and exporting to Nigeria. The seizure was planned for export to China. The scales were found in a vehicle not concealed.

Courtesy: Nigerian Customs



CASE STUDY 4

REPTILE SEIZURES BY INDIA CUSTOMS

In November 2022, India Customs seized 665 pieces of Yellow Pond Turtle and Alligator Snapping Turtle at Mumbai airport. The seizure was detected with the help of intelligence received about an air freight departing from Malaysia to India.

Similarly, India Customs seized 1204 pieces of Iguanas, Pythons, Monitor Lizards, and Tortoises concealed in carton boxes declared as Ornamental Fish at Chennai (ex-Madras) airport on a flight coming from KUL, Kuala Lumpur International airport, Malaysia. This seizure was also detected with the help of intelligence received by Indian Customs.

Source: CEN database



3. Waste

Large volumes of hazardous and non-hazardous wastes exchanged between countries every day may pose environmental and public health risks, making the threat of waste pollution a major transboundary concern if these wastes are traded in contravention of the existing legislation.

Regulatory requirements for waste are complex. The main international instrument regulating transboundary movements of waste is the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (the Basel Convention). One of the three pillars of the Basel Convention is the control of transboundary movements of hazardous wastes and other wastes. The Prior Informed Consent (PIC) procedure with strict requirements for transboundary movements of hazardous and other wastes requires that all involved countries, i.e. of export, transit and import need to give their consent to the movement of such wastes. Transboundary movements between Parties and non-Parties, including transit, generally are not permitted. With the Ban Amendment, since December 2019, exports of hazardous waste from countries listed in Annex VII (the Organization for Economic Co-operation and Development (OECD) countries, European Union (EU), Liechtenstein) to non-Annex VII countries is banned (transboundary movements of hazardous wastes between non-Annex VII countries is possible if all procedures have been followed). In addition, each Party to the Basel Convention has the right to prohibit the import/export/transit of all or specific wastes. There may also be other regional and national laws and regulations pertaining to the transboundary movement of wastes which require compliance.

Customs play a key role in enforcing legislation relating to the trade in wastes, as the manner in which they implement legislation on transboundary movements of wastes is of crucial importance in preventing illegal trade and facilitating legal trade. The role of Customs is to apply relevant procedures for the import, transit and export of waste. Due to their unique mandate, Customs facilitate legal trade and detect and prevent possible cases of illegal trafficking through the identification of illegal trade schemes.

The Basel Convention considers illegal trade as any transboundary movement of wastes: without notification to all States concerned; without the consent of a State concerned; with consent obtained from the States concerned through falsification, misrepresentation, or fraud; that does not conform to a material way with documents; that results in deliberate disposal of wastes. The Basel Convention Parties shall consider illegal traffic as a crime and shall take action.

The WCO Members reported 142 seizures of 3,954 tons and 8,691 pieces of waste to the CEN in 2022. 84 Members played different roles in waste trafficking in 2022 - either as departure, transit or destination points. [Figure 22](#) shows that despite the fact that the number of seizures increased by 28% compared to the previous year, rising from 111 seizures in 2021 to 142 incidents in 2022, the quantity of the reported waste decreased by 6% (i.e. by 241 tons and 7,302 pieces).

Figure 22: Overall quantity and number of seizures of waste, 2021-2022

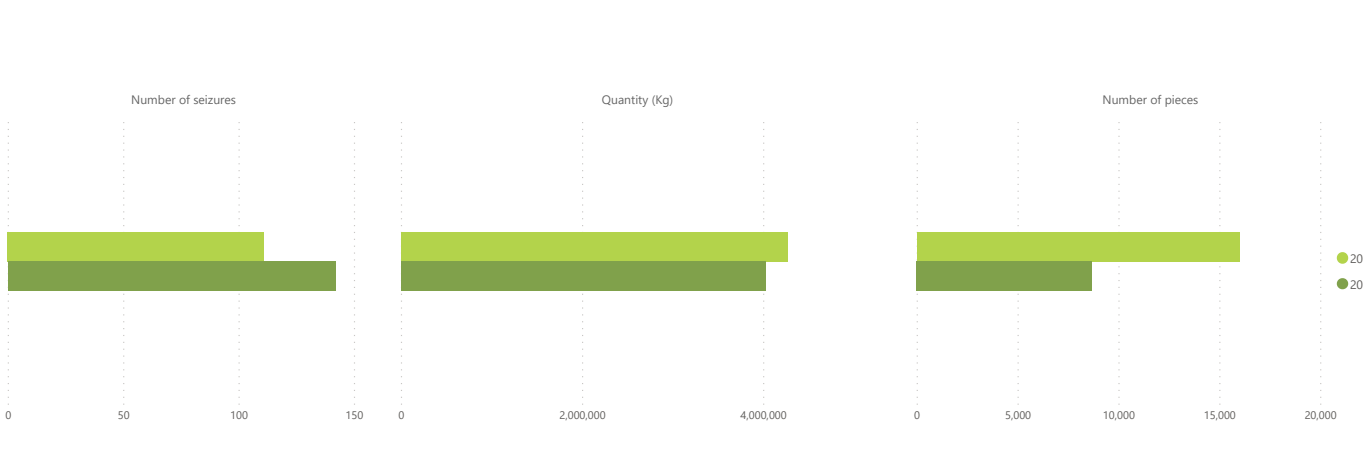


Figure 23: Number of waste seizures by country, 2021-2022

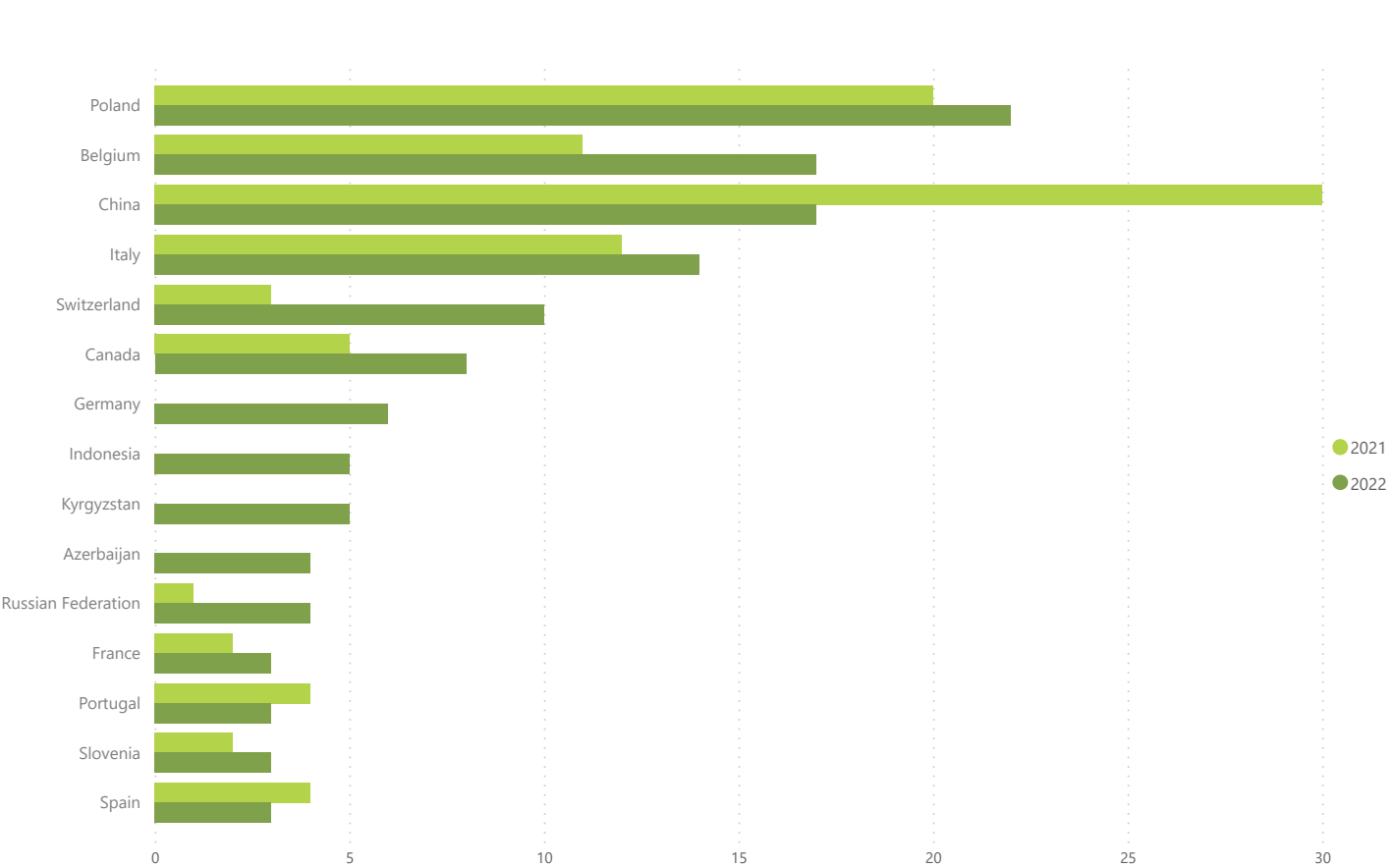
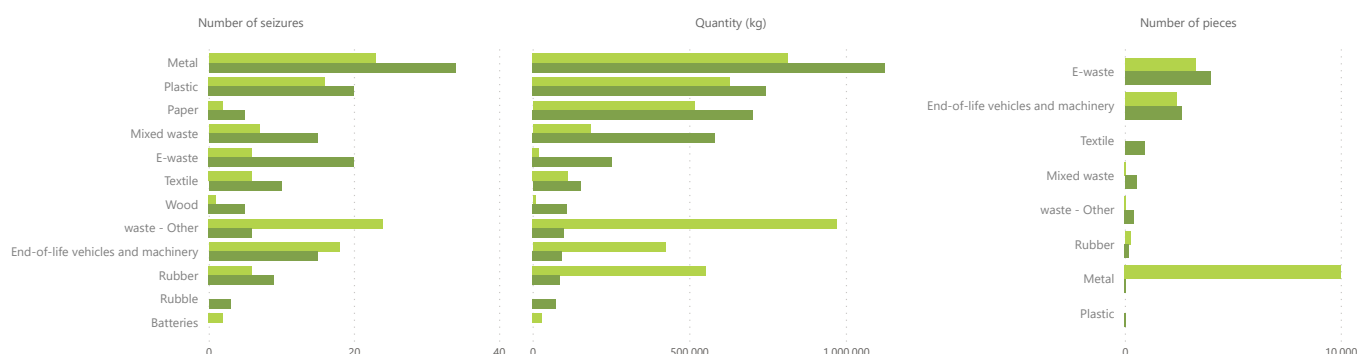


Figure 23 demonstrates the list of the top 15 reporting Members, which are very similar to those in 2021, with a few exceptions. These Members reported 87% of the total seizures in 2022. Poland ranked as the top reporting country with 16% (22 seizures) of the total waste seizures reported, with China and Belgium among the top 5 reporters with 17 seizures each. Despite Germany, Indonesia and Kyrgyzstan not being among the waste reporters in 2021, they were among the top reporters in 2022. There were no significant changes in the reported seizures at the country level, except for China which reported almost 50% fewer cases than the previous year. In terms of waste quantity, 13 of the top 15 seizure reporters were also the top reporters of waste quantity (4,028 tonnes and 8,691 pieces), China came at the top of the list with 23% (915 tonnes) of the total quantity then Belgium (19%), Italy (13%) and Poland (10%).

Figure 24: Quantity and number of waste seizures by category, 2021-2022



As shown in Figure 24, with regard to the number of waste seizures, only 3 categories out of twelve categories of waste decreased in 2022 in comparison with 2021, namely end-of-life vehicles and machinery, batteries and waste (other). Conversely, all the other categories increased by different levels, with the largest increase, in absolute terms, reflected in the case of metal waste and mixed waste. In relative terms, metal waste was the most frequent waste category, as it represented 24% of the total seizures followed by E-waste and plastic.

In terms of quantity, the largest category in 2022 was metal waste which represented 28% (1,124 tonnes) of the total waste quantity, followed by plastic (18%), paper (17%) and mixed waste (14%). In comparison with 2021, all the categories increased in 2022 except for waste (other), rubber, end-of-life vehicles & machinery and batteries. The largest increase - in absolute terms - was reported in the case of mixed

waste (by 398 tonnes), metal waste (by 309 tonnes and 10,000 pieces), E-waste (by 233 tonnes), paper (by 187 tonnes) and plastic (by 117 tonnes). Conversely, the largest decrease was reported in the case of waste (Other) (by 872 tonnes) followed by rubber (by 468 tonnes).

Figure 25: Number of waste seizures by type and country, 2022

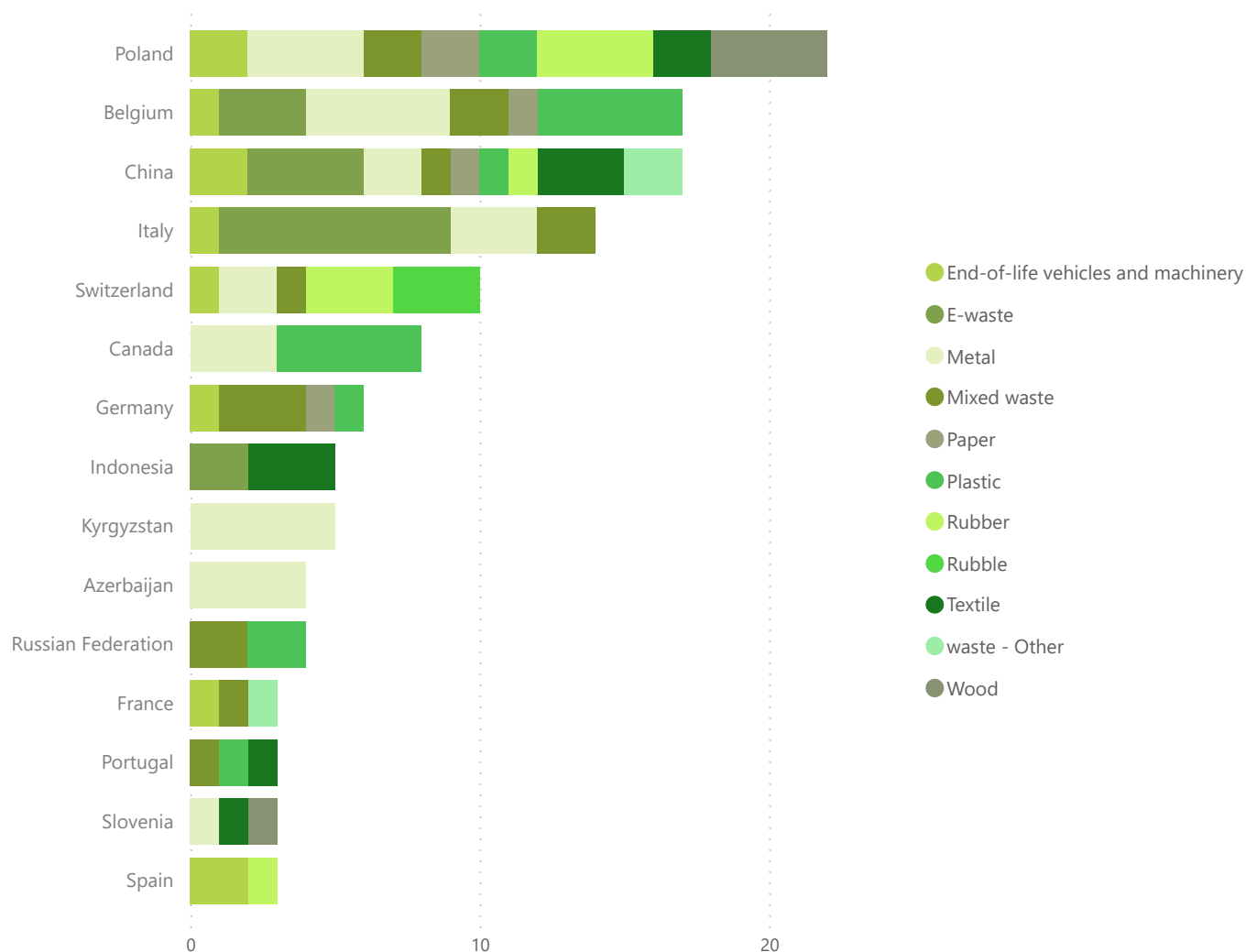
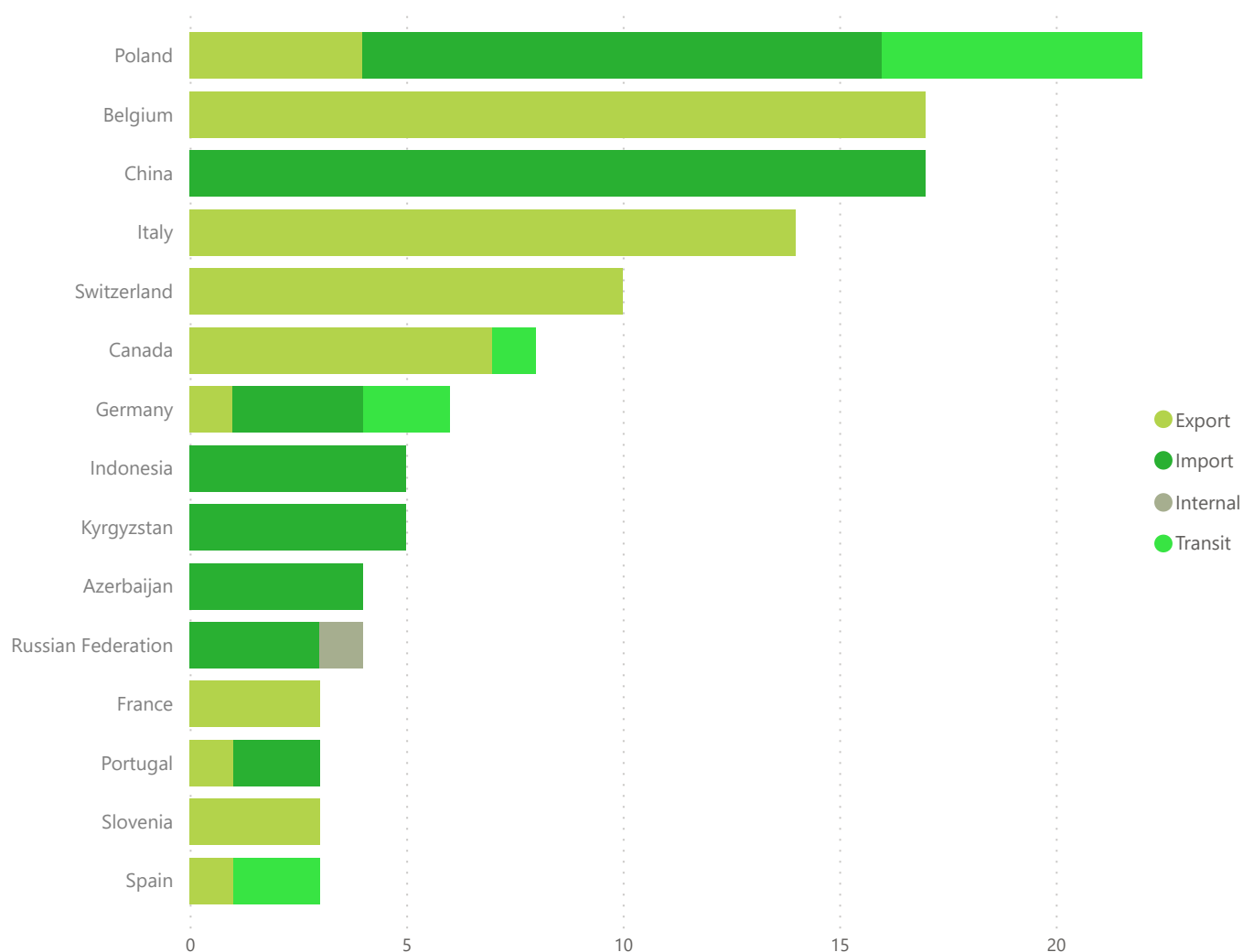


Figure 25 illustrates that metal waste trafficking was the most diverse and widespread, with 14 out of 31 Members reporting at least one seizure of metal waste. End-of-life vehicles and machinery was the second widespread category, with 10 Members out of 31 Members reporting waste seizures made between 1 to 2 seizures of this type, namely, Poland, Belgium, China, Italy, Switzerland, Germany, North Macedonia (Republic Of), Spain, France and Sri Lanka. 10 Members reported plastic waste seizures, with Belgium and Canada reporting 50% of these seizures. Similarly, 50 % of the total E-waste seizures were reported by Italy followed by China and Belgium.

Figure 26: Number of waste seizures by country and direction, 2021-2022

As illustrated in Figure 26, it can be concluded that waste seizures in 2022 were intercepted, approximately in equal measure, at export and import directions (45% and 44% of the total number of seizures respectively). Most of the export seizures were intercepted in Belgium, Italy, Switzerland and Canada, while most of the import seizures were intercepted in China, Poland, Kyrgyzstan and Indonesia, which also received - collectively - the largest quantity of the imported waste. In terms of quantity, 55% of the intercepted waste were in export while 41% were in the import direction. Most of the waste quantity at export was reported by Belgium, Italy, France and Canada. Seizures intercepted in transit represented 9% of the total seizures, representing 5% of the total quantity. 50% of the transit seizures were intercepted in Poland, followed by Spain (17%), Germany (17%), Canada (8%) and Croatia (8%). These Members were also the main transit points in regard to the intercepted quantities in transit. There were 3 internal seizures, which constituted 2% of the reported seizures.

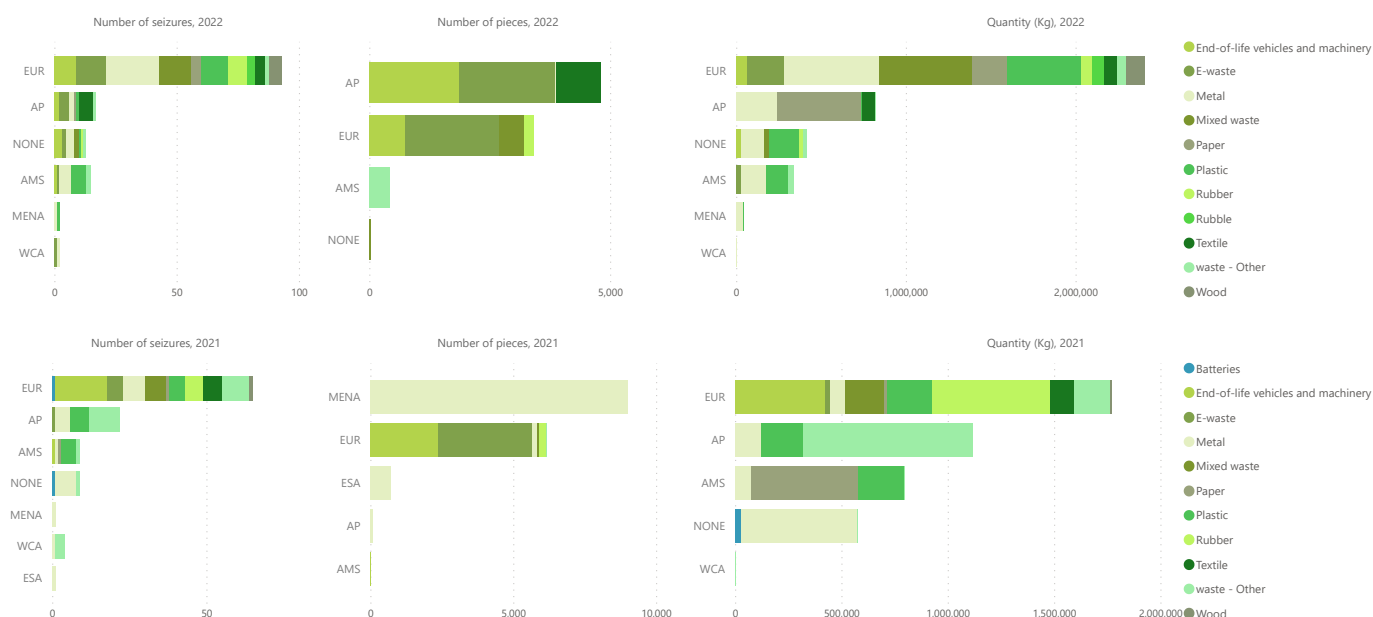
Figure 27: Quantity and number of seizures by category and region, 2021-2022

Figure 27 demonstrates that most of the waste seizures and the quantities were reported by Members in Europe, which solely accounted for 70% of all seizures and 67% of the total waste quantity. Most of these seizures pertained to metal waste (25%), mixed waste (14%), plastic (12%), E-waste (12%) and end-of-life vehicles (10%). In terms of the volume of waste, metal, mixed waste and plastic were the most prominent categories reported by Europe. Between 2021 and 2022, Europe reported 33 more seizures (a rise of 50%); and, for the same period, it reported 466,756 kg more and 2,729 pieces less (a total rise of 21%). The categories that rose most were metal (by 482,617 kg), mixed waste (by 367,481 kg), plastic (by 200,702 kg) and E-waste (195,512 kg).

The Asia-Pacific region comes second both in terms of the number of seizures and the quantities with 20% of the total seizures and 25% of the total quantities. Most frequently, the seizures involved E-waste (28%), textile (21%) and end-of-life vehicles & machinery (14%). In 2022, the Asia-Pacific region reported 15% seizures less than in 2021, and it also reported 717,212 fewer kg (a fall of 40%) and 5,110 pieces more. This large fall in the quantity is mainly due to the decrease in waste (Other) (by 842,994 kg), metal (by 543,941 kg) and plastic (by 11,152 kg).

The Americas region reported 9% of the total number of seizures, which accounted for 8% of the total seized units. This region reported 6 seizures more in 2022 than in 2021, however, the quantity was almost the same in both years. The main categories reported by the Americas were: metal waste, plastic and waste (other). MENA and WCA regions reported only one seizure each, and these seizures contained negligible quantities, while the ESA region did not report any waste seizures.

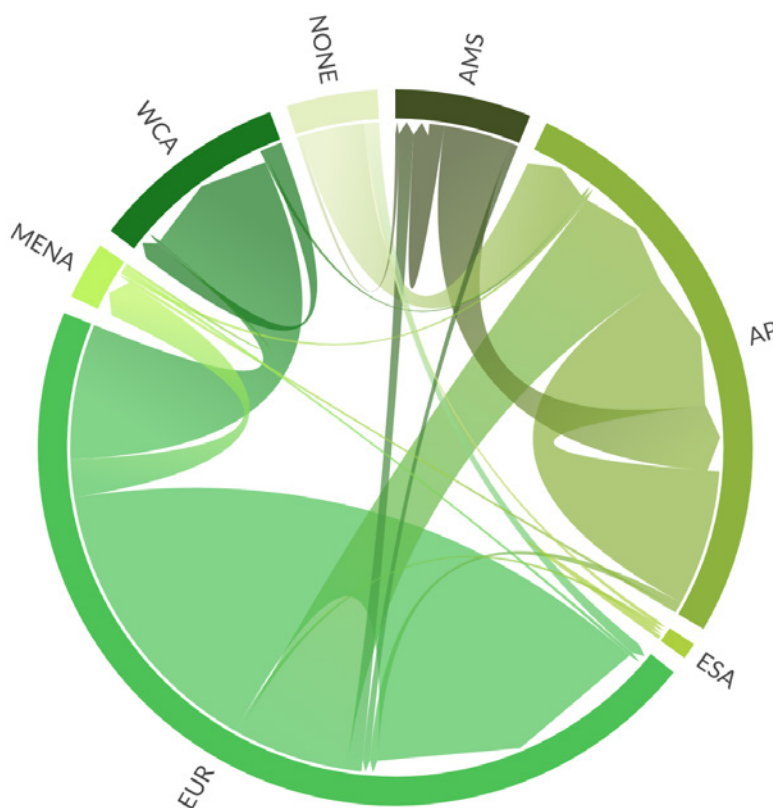
Figure 28: Waste trafficking flows by region, 2022

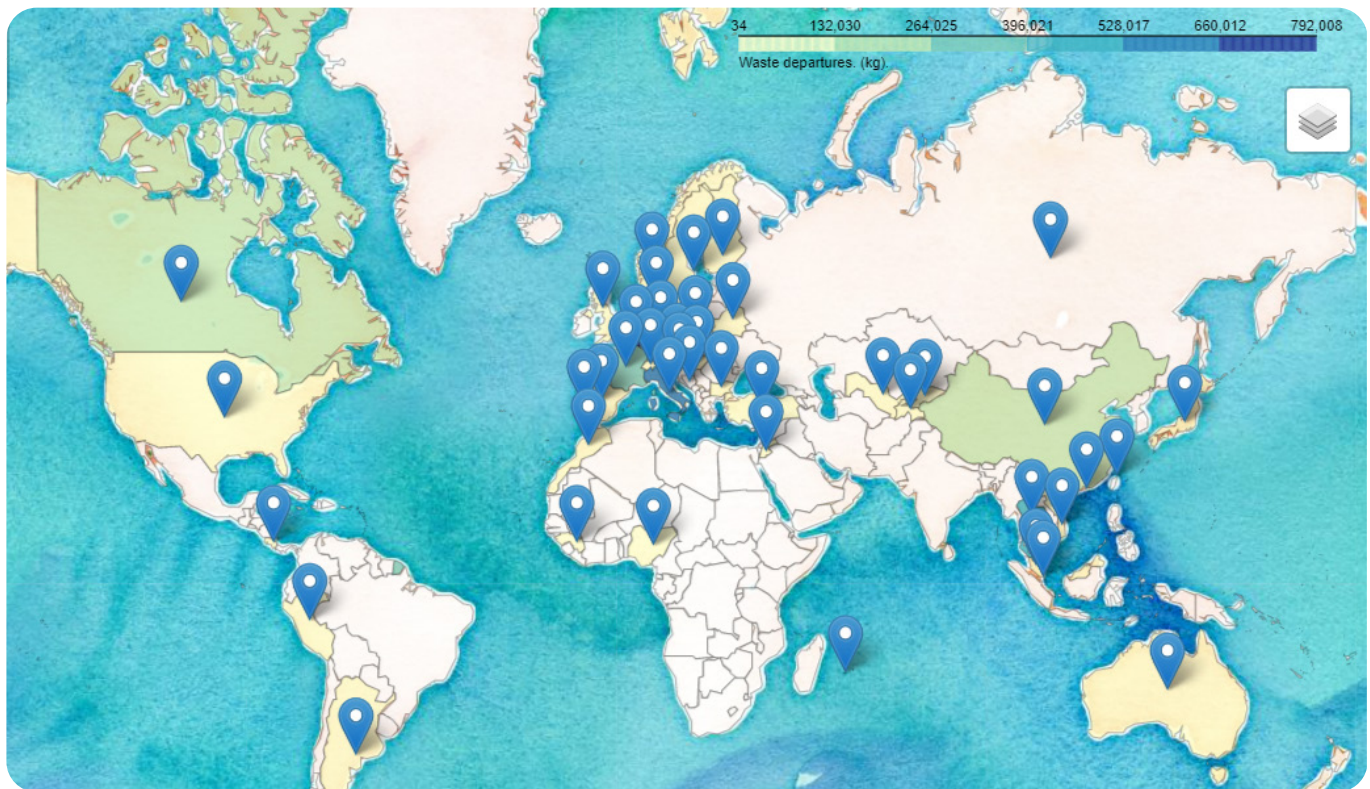
Figure 28 depicts that Europe was a departure for 65% of the total seizures while being a destination for 23% of that total. The vast majority (54%) of waste seizures departed from Europe destined Members in the same region, the second most common destinations were WCA (21%) and Asia-Pacific (18%). Europe was the main departure in terms of quantity as well, with 60% of the total seized units, 46% of these units (metal, plastic, paper, E-waste) departed to the Asia-Pacific region, while 26 % (wood, metal, paper, mixed waste and rubble) departed to Members within the Europe region. WCA received 21% of waste that departed from Europe, with most of the units being mixed waste, E-waste and end-of-life vehicles.

The Asia-Pacific region was a departure for 12% of the total seizures while being a destination for 60% of that total. 88% of waste that departed from the Asia-Pacific region was destined for Members in the same region (paper, textile, plastic, E-waste) and 6% of the waste was destined for Europe and the same percentage of seizures destined for the MENA region but with negligible amounts of metal waste.

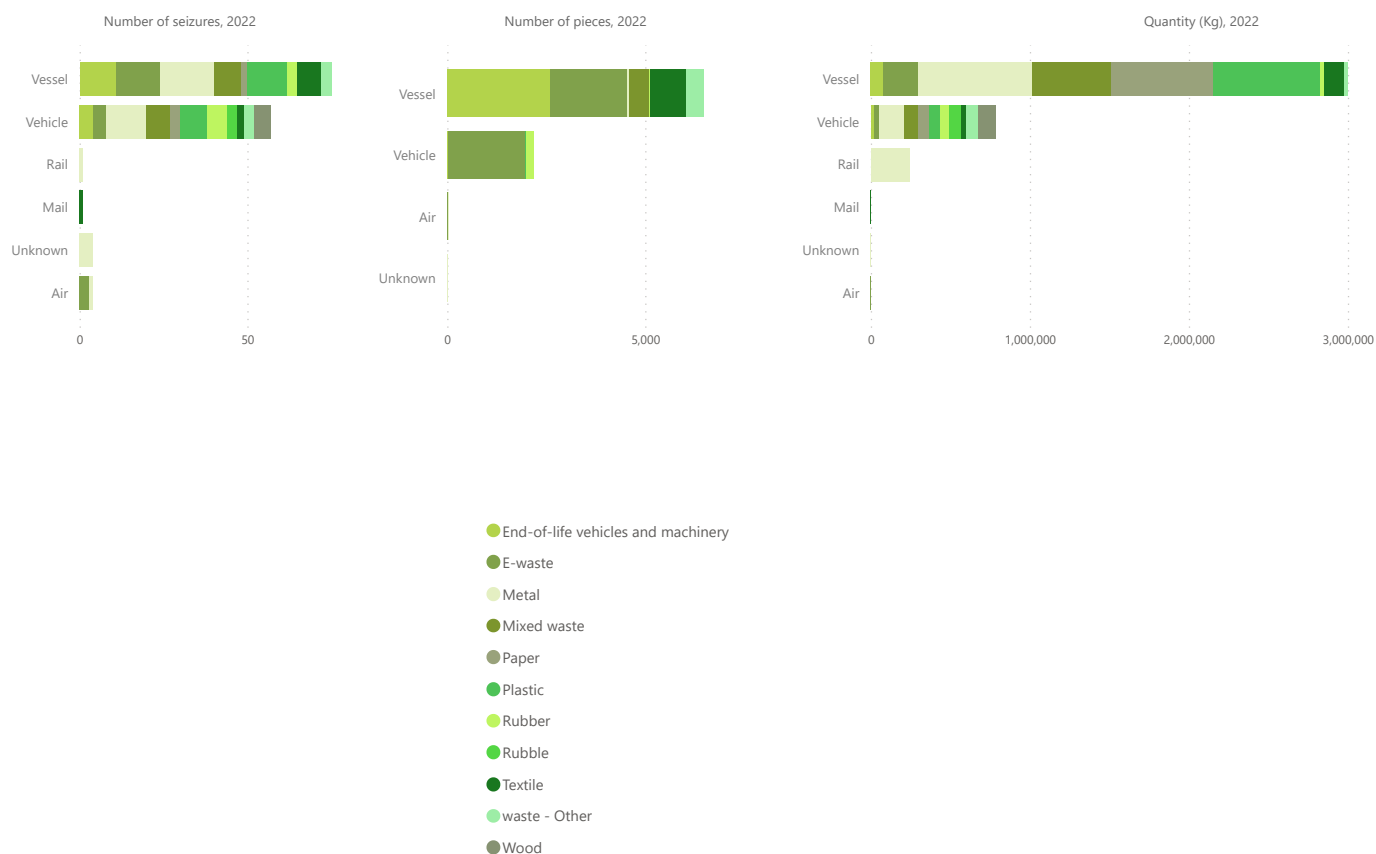
The Americas and MENA regions were departures for 11% of the total seizures, and these seizures were destined mainly for the Asia-Pacific region and Members within the AMS region. Most of the waste which departed to the Asia-Pacific region was metal and plastic waste, while plastic and (Other) waste moved internally within the region.

Plastic waste departed mainly from Europe and the Americas and it was destined mainly to the Asia-Pacific region and Europe. E-waste departed mainly from Europe and the Americas and it was destined to the Asia-Pacific region and WCA.

Figure 29: Departures of waste, 2022



There were 44 departures for waste in 2022 as depicted in [Figure 29](#), almost 50% (24 departures) of the total departures were from Europe region followed by Asia Pacific with 9 departures. There were also five departures from Americas and four from Africa.

Figure 30: Number of waste seizures and quantity of waste by type and conveyance method, 2022

As shown in Figure 30 vessels and vehicles were the main modes of conveyance for the reported seizures of waste in 2022, as 92% of the total seizures and 94% of the total quantity were transported by these two modes of transportation. 52% of the total waste seizures were trafficked via vessels, which carried 75% (2,997 tonnes and 6,500 pieces) of the trafficked waste in 2022. Vessels were the conveyance for metal waste, plastic waste, paper waste, mixed waste and E-waste.

Of the total seizures, 40% was transported by vehicles which carried 20% (786 tons and 2,174 pieces) of the total smuggled quantity of waste. The most frequently smuggled types via vehicles were metals, wood, mixed waste, plastic and rubble, which were also the largest categories in terms of the volume transported by vehicles. The other conveyance methods were not common whether in terms of the frequency or the quantity of the waste transported by them.

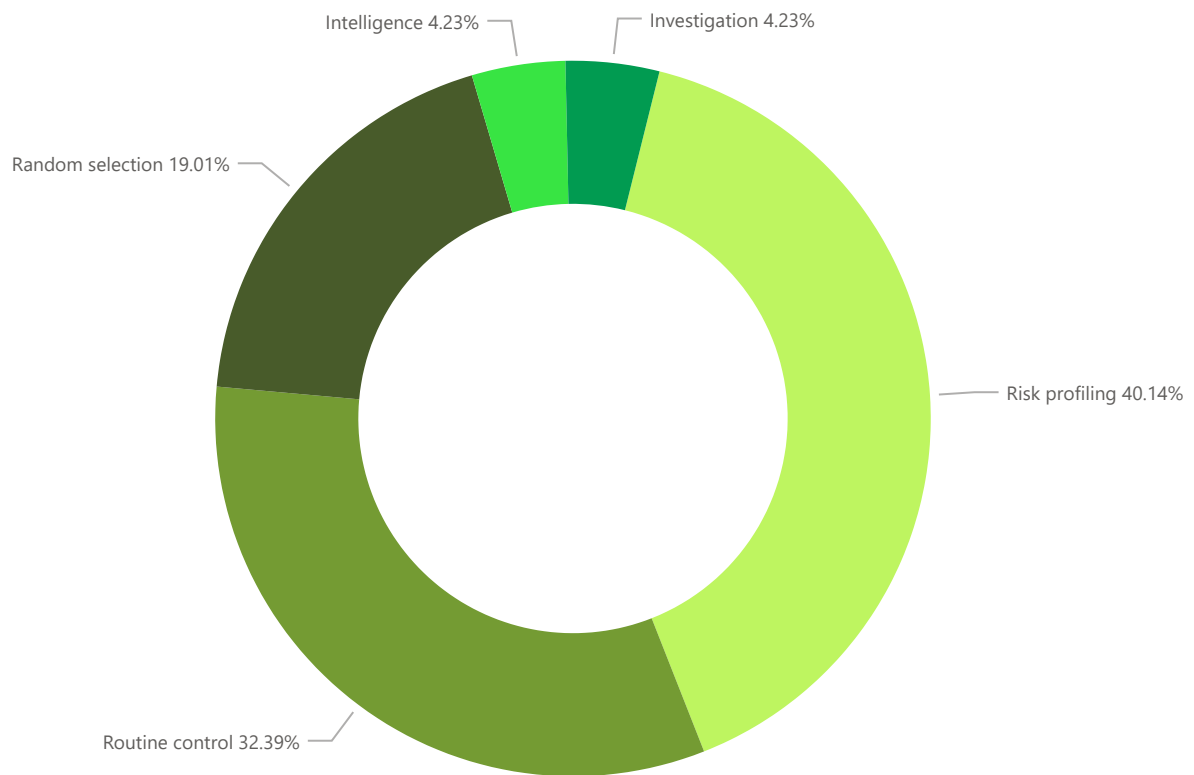
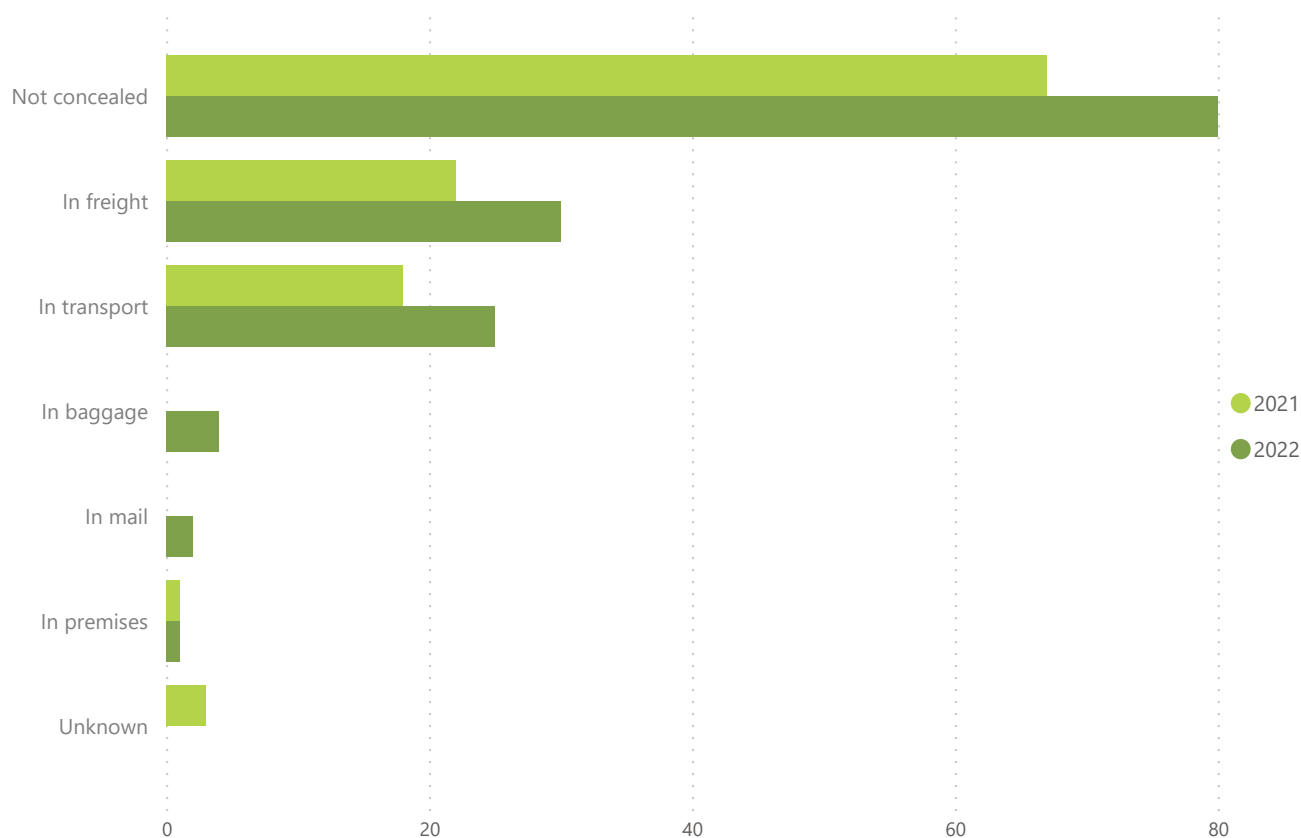
Figure 31: Waste seizures by detection method, 2022

Figure 31 shows that risk profiling was the most frequent detection method for waste as it accounted for 40% of the total seizures and a similar percentage of the total quantity. Routine control was the second most frequent method, which led to the detection of 32% of the seizures and 33% of the quantity. 75% of the seizures detected by risk profiling were in Europe. Americas and Asia followed Europe in utilizing risk profiling with 14% and 7% of the total number of cases respectively. The investigation was reported for detecting 13% of the total quantity of waste.

Figure 32: Number of waste seizures by concealment method, 2021-2022

As depicted in [Figure 32](#), almost 60% of waste seizures in 2021 and 2022 were not concealed especially in regard to metal waste, plastic, E-waste and end-of-life vehicles and machinery. Lack of concealment of waste was very common in Europe. However, concealing waste in freight and in transport was used in 38% of the total seizures in 2022 with an increase of 37% relative to 2021. These two methods were used in the highest number of cases for concealing E-waste, metal waste, plastic and rubber. Most of the seizures concealed in freight were in the Asia-Pacific region, while those concealed in transport were in Europe.

3.1. Members' Survey on Waste

37 Members responded regarding waste. The Members' Survey confirmed the trends depicted from the CEN data in many aspects. Firstly, the downward trend of waste quantity despite the rise in the number of seizures. Secondly, the top reporters of waste in CEN data are similar to those in the Survey. Thirdly, Customs administrations from Europe were the main waste reporters, followed by Asia and the Americas in both of these data sources. However, certain EU and Asian Members reported an increase in the number of seizures.

The EU Customs administrations recognized the two main categories of threats, i.e.: illegal treatment and transport of waste within the EU and illicit waste trafficking

from/via EU main harbours outside the EU, mainly to Africa and Asia. The following trends have been also evidenced:

- export of used vehicles, engines and car spare parts to Africa;
- export of E-waste declared as personal property to Africa;
- export of plastic and E-waste to South Asian Members;
- export of waste destined for recovery or disposal to non-existent consignees, without the necessary environmental permits or destined for disposal in illegal landfills;
- an increase in cross-border shipments from Western European Members to the Western Balkan Members (Serbia, Bosnia and Herzegovina) and Türkiye, Ukraine, Tunisia, India and Pakistan;
- concealing restricted or prohibited goods behind legitimate goods;
- declaring waste as used goods;
- mis-declaring waste shipments that require written notification or consent for disposal as green waste or raw material.

Some Asian Members reported an increase in the number of cases and volume of waste seizures after lifting measures related to COVID-19. Some of the trends involved offloading of imported goods such as oil waste outside the Customs area without Customs permits. Waste is imported into Free Zones (no importing tax in the area and can be exported out of the country without tax) and usually the waste is smuggled out of the area.

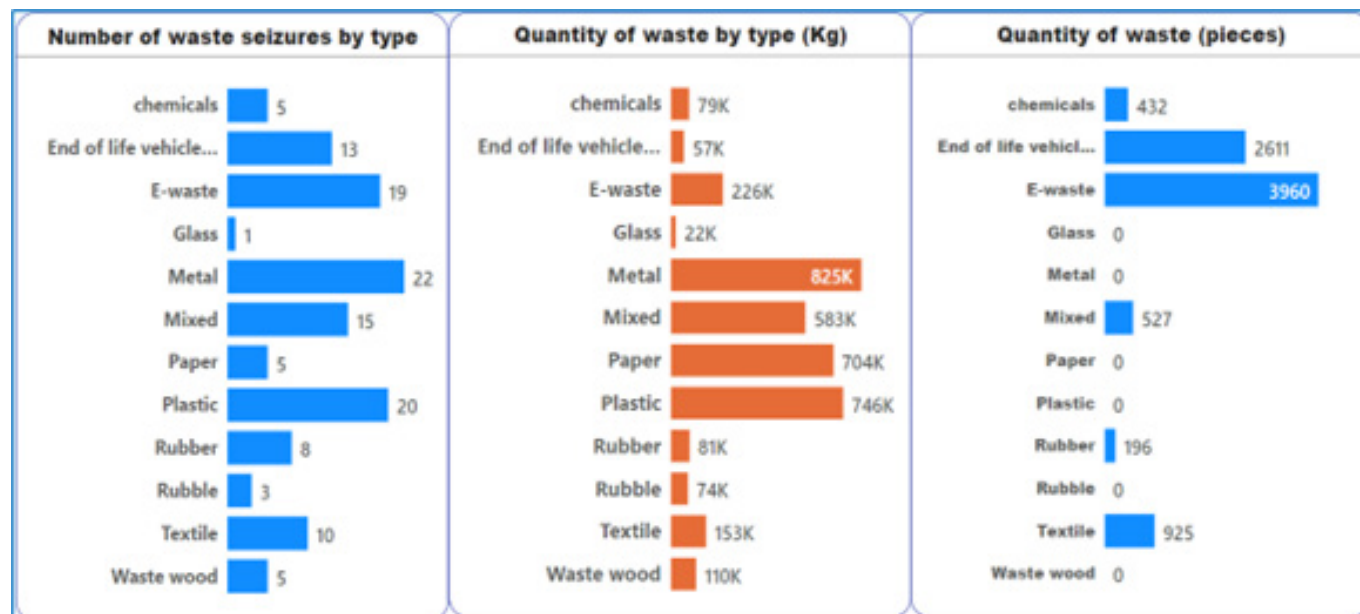
3.2 Main outcomes of Operation DEMETER VIII

Operation DEMETER VIII focused on cross-border movements of hazardous waste and other waste as well as the substances controlled under the Montreal Protocol (i.e. ozone-depleting substances (ODS) and hydrofluorocarbons (HFCs)).

90 Customs administrations took part in Operation DEMETER VIII, which made it the largest DEMETER Operation since the first edition began in 2009. The lead actors in this Operation were the WCO Secretariat, the RILO for Asia Pacific and Western Europe, and China Customs. In addition, the Operation was supported by the Basel Convention Secretariat, UNEP OzonAction, the European Anti-Fraud Office (OLAF), the WCO-UNODC Container Control Programme, INTERPOL, Europol, and the EU Network for Implementation and Enforcement of Environmental Law (IMPEL).

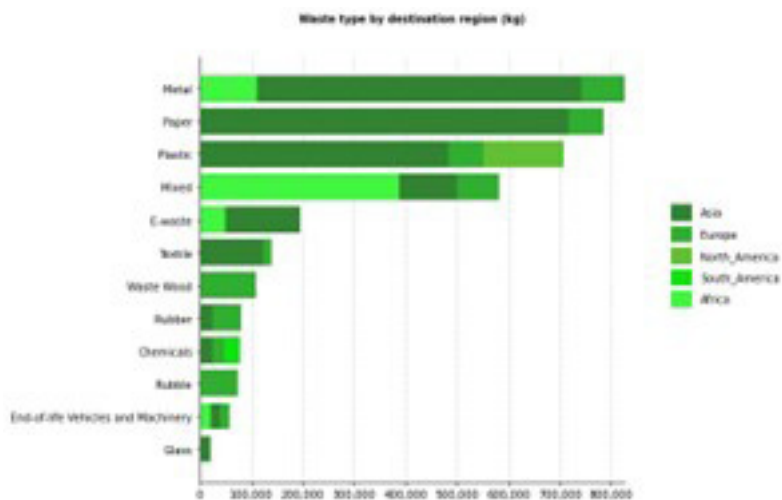
In total, 126 seizures that contained 3,660,182 kg and 8,661 pieces of waste were reported within the operation. As illustrated in Figure 32, metal waste was the largest seized category of waste, both in terms of quantity and the number of seizures (23% of the total quantity and 17% of the total number of seizures), followed by plastic waste, which represented 20% of the quantity and 16% of the seizures. E-waste was among the top 5 categories both in terms of frequency of the seizures and the quantity with 6% of the total quantity and 15% of the seizures.

Figure 33: DEMETER VIII waste seizures



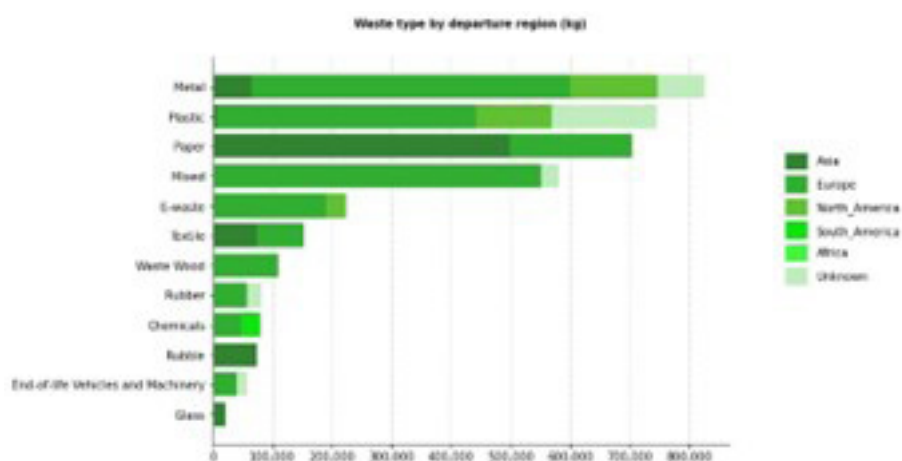
The destinations of waste indicate that waste trafficking is a global phenomenon as almost all WCO regions were recorded as destinations, and Asia was the largest receiver of waste followed by Europe. In Asia, China, India, Malaysia, Indonesia and Thailand were the most frequent destinations for waste, while in Europe, Poland, Germany and France were the main destinations. Sea ports were the main offence location for waste; accordingly, the main conveyances were vessels followed by land ports and vehicles.

As demonstrated in Figure 33, Asia was a destination for most plastic waste, paper, metal, E-waste and textile, while Africa was the main destination for mixed waste and end-of-life vehicles. Europe was a destination for metal, mixed waste, waste wood and rubber.

Figure 34: Destination of waste per category (DEMETER VIII)

As it can be concluded from [Figure 34](#), Europe was a departure for various types of waste (62% of cases), followed by Asia (19%) and North America (10%). Europe was the main departure for mixed waste, metal waste, E-waste, plastic waste, end-of-life vehicles and waste wood. These varied waste streams moved internally within Europe and were destined for other regions as well, such as Africa and Asia.

Figure 35: Departures of waste per category (DEMETER VIII)



CASE STUDY 5

WASTE SEIZURE BY CHINA CUSTOMS

In January 2022, Shenzhen Customs of China seized 4 tons of waste computer keyboards, which are forbidden from importing. After conducting an inspection, Customs officers from Shenzhen Customs found that those keyboards were used goods, with some buttons missing, and no individual packing. The competent agency confirmed that these 4 tons of computer keyboards were waste and prohibited for import by law.

Source: China Customs, RILO AP Alert



CASE STUDY 6

POLAND CUSTOMS SEIZES UNDECLARED HAZARDOUS WASTE

In February 2022, Polish Customs detected a 161,000 kg shipment of aluminum scrap which contained undeclared hazardous waste from car batteries. The shipment was destined for the Philippines. The inspection was supported by an x-ray examination, which showed some anomalies leading to a physical inspection of the shipment. Examination of the batteries showed current flows in the batteries.

Source: Poland Customs



4. Trafficking of substances controlled under the Montreal Protocol

Illegal trade in ozone-depleting and global warming substances undermines the aims and the achievement of the Montreal Protocol, which is an international agreement adopted on 16 September 1987 to control the production and consumption of specific man-made chemicals, mainly hydrochlorofluorocarbons (HCFCs) and hydrofluorocarbons (HFCs). The Protocol was developed in response to scientific proof that the depletion of the stratospheric ozone layer, caused by chlorine and bromine emissions from human activities, was inflicting considerable damage on human health and the environment. In 2016, the Montreal Protocol was amended to include powerful greenhouse gases – hydrofluorocarbons (HFCs) to the list of substances controlled under the Protocol which will be phased-down.

In regard to HCFCs, developed countries steadily reduced their consumption and completely phased them out by 2020. Developing countries started their phase-out process in 2013 and are now following a step-by-step reduction until the complete phase-out by 2030. In regard to HFCs, Montreal Protocol Parties are required to gradually reduce HFCs use by 80-85% by the late 2040s. The initial reductions by most developed countries began in 2019. Most developing countries will follow with a freeze of HFCs consumption levels in 2024, and in 2028 for some developing countries⁶.

Illegal trade in these substances affects the health of people and ecosystems, contributes to global warming and affects legitimate businesses. The different phase-out schedules for ozone-depleting substances between developed and developing countries triggered the original smuggling of these substances in the early and mid-1990s⁷. The same trend can be seen in Europe with an earlier phase-down of hydrofluorocarbons (HFCs) than in other parts of the world^{8, 9, 10}.

Customs play an indispensable role in monitoring, controlling and preventing illegal trade in substances controlled under the Montreal Protocol, mainly through ensuring compliance with regard to transnational shipments, in particular, compliance with the licensing schemes as well as enforcement of existing bans and restrictions. Since 2019, the Operation DEMETER series has gathered WCO Customs administrations to include the Montreal Protocol substances in their enforcement actions. In 2022, the CEN, DEMETER VIII data and information provided in the Members' Survey shows that there have been cases of illegal trade in controlled substances. The CEN and DEMETER VIII data show an increase in the number of seizures of controlled substances reported by the WCO Members from 10 in 2021 to 40 seizures in 2022, mainly due to the seizures reported by Croatia. In terms of the reported quantities, the increase was not significant in relation to the quantities, which increased by 2.3 % from 28,264 kg in 2021 to 28,927 kg in 2022. All but one, seizure reported in 2022 involved HFCs. EU Members accounted for 85% of the seizures and 80% of the seized quantity.

⁶ <https://www.unep.org/ozonaction/who-we-are/about-montreal-protocol>

⁷ United Nations Office on Drugs and Crime, Transnational Organized Crime in East Asia and the Pacific, Chapter 10 Illicit trade in ozone-depleting substances (ODS) from East Asia to the world, available at https://www.unodc.org/documents/toc/Reports/TOCTA-EA-Pacific/TOCTA_EAP_c10.pdf

⁸ EIA, 'Doors wide open Europe's flourishing illegal trade in hydrofluorocarbons (HFCs)', 2019 available at <https://eia-international.org/wp-content/uploads/EIA-report-Doors-wide-open.pdf>

⁹ United Nations Environment Programme (2023). Watch out for illegal trade of HCFCs and HFCs: Lessons learnt from the Global Montreal Protocol Award for Customs and Enforcement Officers, also available at https://wedocs.unep.org/bitstream/handle/20.500.11822/42087/illegal_trade_HCFCs.pdf?sequence=3&isAllowed=y

¹⁰ ITR 2021, <https://www.wcoomd.org/en/media/newsroom/2022/june/the-wco-issues-its-2021-illicit-trade-report.aspx>

Figure 36: Departures of ODS & HFCs, 2022



According to the reported seizures to CEN, there were 12 departures for ODS & HFCs in 2022, most of them were from Europe region. In terms of the quantity, Lithuania comes first with more than 19.3 tonnes then China with 5 tonnes. Serbia, Croatia and North Macedonia were in the top five departures list as well.

4.1. Controlled substances in DEMETER VIII

Thirteen ODS & HFC seizures, including 24,997 kg of HFCs were intercepted during Operation DEMETER VIII. Bulgaria was the destination for most of the seizures which departed from Türkiye and Serbia. In terms of quantity, Uzbekistan was the destination for a large seizure intercepted in transit by Poland Customs (over 19 tonnes) while another large seizure was destined for Argentina (5 tonnes).

In comparison with DEMETER VII, there was an increase in the number of seizures (by 44%) and in the number of seized substances (by 255%). DEMETER VIII results are comparable to DEMETER VI in terms of the number of seizures but lower by 40% in terms of the quantity of the controlled substances seized.

4.2. Members' Survey on controlled substances

Results from the Members Survey highlight that the main routings for illegal HFCs to the European Union refrigerants are imports from China and Türkiye. Other routes are from Ukraine, Belarus, Tunisia, South Korea, Switzerland and the USA. The main infringements involve imports by ineligible importers or by importers who do not have enough quota, misdeclaration (e. g. empty tanks, non-ODS & HFCs substances); and smuggling, in particular of banned non-refillable cylinders. The EU Members reported a decrease in the number of seizures (Croatia, Italy, Lithuania, Poland, Slovenia). The trend involving smuggling of non-refillable cylinders of small consignments in vans, cars and buses travelling from Eastern Europe to Western Europe have been replaced by shipments of F-gases in trucks in commercial transports (e.g. as exemplified by Slovenia seizures of F-gases (R404A, R134A) on the Serbia-Italy and BiH-Germany routes).

Indonesia reported an increase in the volume of ODS & HFC seizures because shipping services resumed to normal after the pandemic subsided. Infringements involved misdeclaration of origin, and HS codes, as well as entry of ODS & HFCs from free trade zone areas without Customs documents.

4.3. Overall trends in trafficking of controlled substances

Overall, the data gathered by organizations involved in this area confirm cases of illegal trade in controlled substances. In particular, the Montreal Protocol Secretariat data based on information submitted by Parties¹¹, the UNEP OzonAction data gathered through the Global Montreal Protocol Award for Customs and Enforcement Officers¹², and the 5th edition of the European and Central Asia Montreal Protocol Award for Customs and Enforcement Officers held between 2019 to 2022, show that differentiated phase-down schedules stimulate the illegal trade of already restricted chemicals in Europe due to an earlier phase-down of HFCs than in other parts of the world. This observation was also described in the 2021 ITR.

¹¹ <https://ozone.unep.org/countries/additional-reported-information/illegal-trade>

¹² United Nations Environment Programme (2023). Watch out for illegal trade of HCFCs and HFCs: Lessons learnt from the Global Montreal Protocol Award for Customs and Enforcement Officers, also available at https://wedocs.unep.org/bitstream/handle/20.500.11822/42087/illegal_trade_HCFCs.pdf?sequence=3&isAllowed=y

CASE STUDY 7

SEIZURE OF F-GASES BY NORTH MACEDONIA CUSTOMS

In February 2022, 57 bottles of F-gas R-507A and 4 bottles of F-gas R-134a (total net mass of about 693 kg) were found by the Customs administration of North Macedonia in the cargo area of a truck and trailer destined for Bulgaria. The commodities were declared as plastic barrels. The shipment was concealed among the declared plastic barrels. The seizure was made based on risk profiling.

Source: North Macedonia Customs



5. Other environmentally sensitive commodities

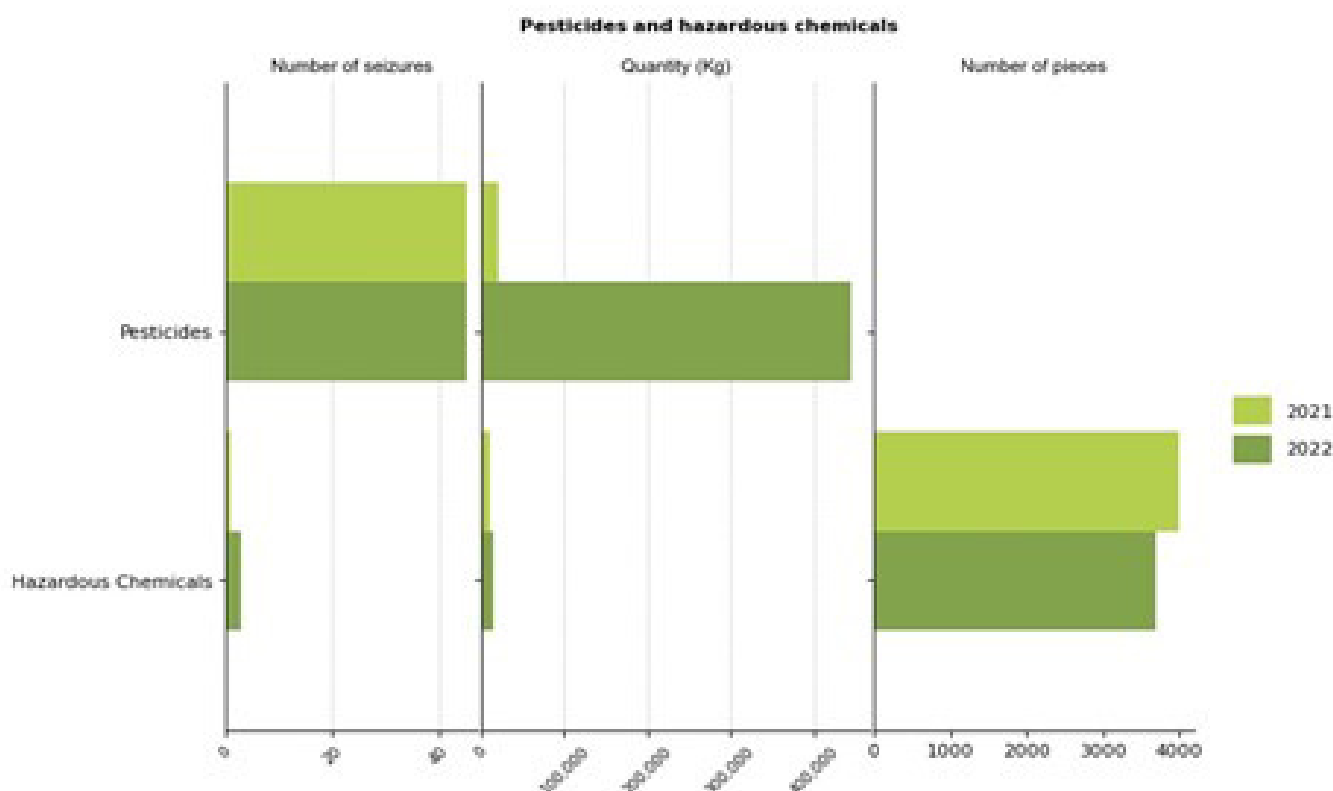
The WCO Members report to the CEN database seizures relating to other environmentally sensitive commodities. In principle, in 2022, these were cases of illegal trade of pesticides or hazardous chemicals. These commodities may threaten the environment and human health, causing acute and chronic health effects, water and soil contamination or damage to biodiversity.

The regulation of the international trade in chemicals is complex. Trade in many harmful chemicals is unregulated or partially regulated by international law and provides for various complex exemptions. MEAs such as the Montreal Protocol; the Rotterdam Convention; the Stockholm Convention; and the Minamata Convention focus on chemicals of the highest priority for the environment. In addition to implementing international obligations, countries can also impose domestic requirements that will determine whether trade is legal or illegal.

Illegal chemicals can be difficult to detect or distinguish from legal chemicals. The scale of illegal trade in chemicals is largely unknown. Thus, the CEN data can be regarded as providing an indication of illegal trade and focus areas for future enforcement efforts.

5.1 Number of seizures and pesticides/ hazardous chemicals quantity in 2021- 2022

Figure 37: Seizures and quantity of pesticides/ hazardous chemicals, 2021-2022



Hazardous chemicals

In 2022, more than 15 tonnes of chemicals referred to as hazardous chemicals were reported in three seizures, representing 4 tonnes more than in 2021. Most of this quantity was reported by Qatar (85% of the total quantity). Angola and Hungary reported 10% and 5% of the quantity respectively. Within these cases, the departures for hazardous chemicals were Angola, Hungary and China while the destinations were the Democratic Republic of Congo and Qatar.

Pesticides

As shown in [Figure 37](#), in 2022, the WCO Members reported 45 pesticides seizures, which comprised 446 tonnes and 3,690 pieces with an increase of 425.6 tonnes relative to the previous year (2100 % increase), although the number of seizures was similar in 2021.

Kyrgyzstan was the main reporting country for illicit pesticides with 95% of the total quantity and 50% of the total incidents. The seizures of this commodity were also reported by Poland, Bulgaria and Croatia, but in relatively small quantities. Uzbekistan, Ukraine, Türkiye and Bulgaria were the main departures for pesticides while Kyrgyzstan, Bulgaria and Croatia were the main destinations. Most of the pesticides were detected at import (91%).

The data reported by Members in this category through the CEN platform did not provide comprehensive information on the seizure cases to enable comprehensive analysis of the exact classification of the commodities and the type of infringements. However, in general, as defined by FAO and WHO, pesticides are any substance, or mixture of substances of chemical or biological ingredients intended for repelling, destroying or controlling any pest or regulating plant growth¹³.

The international instruments that regulate trade in certain pesticides are the Rotterdam Convention, the Stockholm Convention, and the Montreal Protocol. Under domestic legislation on chemicals, countries may prohibit the import of unregistered pesticides or chemicals, allow import only when notification requirements have been met, and/or require importers to be licensed. Domestic laws may also impose labelling requirements and may protect the intellectual property of the producers, banning fake and counterfeit chemicals. Thus, trade in illegal pesticides can be understood as referring to any form of trade in a pesticide that violates the law of importing countries, including counterfeit, fake and unregistered pesticides¹⁴, which may include pesticides containing obsolete or banned substances, and unauthorized pesticide imports¹⁵. Accordingly, illegal pesticides can have health, environmental, and economic impacts.

The total pesticide traded quantities increased by 30 percent in 2020, and this growth can mostly be contributed to traded disinfectants, which increased from 4.0 to 8.7 million tonnes from 2019 to 2020¹⁶. According to a European study¹⁷, between 10% and 14% of the EU pesticide market is affected by illegal trade. In recent years, the European Union Agency for Law Enforcement Cooperation (Europol) has conducted enforcement actions in regard to illegal trade in pesticides, i.e. Operation

¹³ Food and Agriculture Organization of the United Nations and World Health Organization (2016). International Code of Conduct on Pesticide Management. Guidelines on Highly Hazardous Pesticides. https://apps.who.int/iris/bitstream/handle/10665/205561/9789241510417_eng.pdf?sequence=1&isAllowed=y

¹⁴ Frezal, C. and G. Garsous (2020), "New digital technologies to tackle trade in illegal pesticides", OECD Trade and Environment Working Papers, No. 2020/02, OECD Publishing, Paris, <https://doi.org/10.1787/9383b310-en>.

¹⁵ https://unicri.it/sites/default/files/2019-10/The_problem_of_illicit_pesticides.pdf

¹⁶ <https://www.fao.org/3/cc0918en/cc0918en.pdf>

¹⁷ <https://euipo.europa.eu/ohimportal/en/web/observatory/ipr-infringement-pesticides-sector>

¹⁸ <https://www.europol.europa.eu/media-press/newsroom/news/production-of-fake-pesticides-rise-in-eu>

Silver Axe series. Over the past six Silver Axe Operations, a total of 4,921 tonnes of illegal pesticides were seized¹⁸. The violations included infringements of intellectual property rights, false declarations and unknown products potentially containing unauthorized chemicals. Seizures made through the series of Operation Silver Axe demonstrate that the illegal trade in pesticides exists and that Europe has been a market for illegal trade in pesticides.

Illegal trade in chemicals have risks for the environment and human health and should be understood in the context of environmental crimes, and thus in the scope of global Customs

5.2 Conclusion

The Environment Chapter presents data and information from Members, which suggests that the magnitude of environmental crimes (within the scope of this analysis) is on an upward trajectory and provides various examples of Customs enforcement efforts worldwide to fight environmental crime, involving transboundary illegal trade in wildlife and timber products, substances controlled under the Montreal Protocol, waste, and hazardous chemicals as these were the main environmentally-sensitive commodities reported to the CEN database by WCO Members. To meet the scale of the threat and the urgency for response, targeted Customs enforcement efforts need to focus on awareness raising, improving cooperation, the quality and quantity of data, capacity building, and finding innovative solutions in the context of complex legal provisions, available resources for Customs administrations and the widening scope of environmental crime.

Crimes that affect the environment are very often cross-border in nature, making Customs' role critical in effectively monitoring and controlling trade in environmental goods. Enforcement activities such as WCO Customs enforcement Operations THUNDER and DEMETER series allow for awareness raising of the existing international and national legal instruments, taking a risk-based approach to controls, building the capacity of participating Customs administrations, and cooperation at national, regional and international levels.

With the active support of the WCO Secretariat, Members are encouraged to make use of available instruments and tools, as well as capacity-building opportunities, to share seizure information via CEN, and to participate in WCO global Operations focusing on illegal wildlife trade and environmentally sensitive commodities.

5.3 The Environment Programme Projects and Operations

Since its inception in March 2012, WCO Environment Programme has been contributing to the fight against environmental crime involving illegal trade in environmentally sensitive commodities. The Programme supports Members in combatting illegal trade in wildlife and timber, waste, and hazardous chemicals. Through partnerships, it implements various projects and global enforcement operations aimed to provide technical assistance to Customs administrations, support intergovernmental and inter-agency cooperation, identify and intercept illegal consignments,

and data collection and analysis on the trafficking of environmentally sensitive commodities.

Through the Environment Programme, the WCO collaborates with the Secretariats of Multilateral Environmental Agreements (MEAs) within the Green Customs Initiative (GCI), coordinated by UNEP. The WCO is also part of the International Consortium on Combating Wildlife Crime (ICWC) which provides support to national wildlife law enforcement agencies, as well as to the regional and sub-regional networks that focus on combatting wildlife trafficking. The WCO activities conducted under the ICWC framework are funded by the European Union (INTPA) and the United Kingdom (DEFRA).

In 2022, the Programme implemented global enforcement Operations, such as the THUNDER and DEMETER Operation series, and comprises various projects related to combatting illegal wildlife and timber trade, such as ICWC, the INAMA Project - funded by DoS; Sida Project - funded by the Swedish International Development Cooperation Agency (Sida); and combatting illegal waste, through the Asia Pacific Plastic Waste Project (APPW Project) - funded by the Government of Japan.

ICWC Project

The ICWC Project, implemented under the WCO Environment Programme, has placed significant emphasis on operational development within the THUNDER operation framework. This involves implementing various approaches such as optimizing data collection processes, utilizing WCO tools and visualization options, providing specialized training, and enhancing resource capabilities. These efforts aim to improve the overall efficiency and effectiveness of participating administrations. By collecting seizure data reported by Members, this initiative has facilitated strategic and intelligence analyses, leading to a substantial advancement in our understanding of regions affected by illegal wildlife trade. As a result, Members and the WCO are now better equipped to carry out enforcement actions with increased efficacy. The project will run until June 2024.

INAMA Project

The INAMA Project aims to strengthen the capacities of targeted Customs administrations in South America, sub-Saharan Africa, and Asia to tackle illegal wildlife trade and to ensure enhanced enforcement of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). The Project is funded by DoS and currently has two sub-projects, "INAMA Global" and "INAMA India", with activities focused on enhancing training capacity, improving risk management and case selection capabilities, fostering interagency and international cooperation, and strengthening operational capacities. The Projects will run until September 2023.

Sida Project

Since September 2021, the WCO Environment Programme has been implementing a bilateral Project which is funded by the Swedish International Development

Cooperation Agency (Sida) and aims to strengthen the enforcement capacities of selected Customs administrations in sub-Saharan Africa to conduct more effective enforcement operations targeting illegal wildlife trade of CITES-listed and protected species, as a starting point for criminal investigations. Strong emphasis is placed on capacitating the beneficiary WCO Members on IWT risk management, data collection, targeting and regional inter-agency cooperation. The Project will run until August 2023.

Asia-Pacific Plastic Project (APPW Project)

The WCO Asia-Pacific Plastic Waste Project is a regional initiative aimed at supporting the implementation of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, particularly with regard to plastic waste. The Project is funded by the Government of Japan.

The project focuses on strengthening the capacity of Customs administrations in the Asia-Pacific region to prevent illegal trade in plastic waste and promote sustainable waste management practices.

The key objectives of the project include capacity building of Customs administrations in the region to effectively enforce Customs regulations related to the import and export of plastic waste; information exchange between Customs administrations in the region and other Members to facilitate the detection and prevention of illegal trade in plastic waste; supporting the harmonization of Customs procedures related to the import and export of plastic waste across the region to facilitate legal trade and prevent illegal activities.

Among the activities of the project are the performance of diagnostic missions at each of the participating Customs administrations, of which the finding and recommendations are included in the mission reports and National Implementation Plans (NIPs), the implementation of capacity building workshops and the development of tools and guidance materials available in the Project website¹⁹.

THUNDER and DEMETER Operations

Global enforcement Operations, the THUNDER Operation²⁰ on wildlife and timber trafficking of protected and endangered species under the CITES Convention and Operation DEMETER²¹ focusing on waste and substances controlled under the Montreal Protocol were implemented in 2022. The lead actors in these operations are the WCO Secretariat and its partners: INTERPOL for the THUNDER Operation, and for the DEMETER Operation, the Regional Intelligence Liaison Offices (RILOs) for Asia-Pacific and Western Europe, and China Customs. The DEMETER Operations have also been supported by the Basel Convention Secretariat, the United Nations Environment Programme (UNEP) OzonAction, the European Anti-fraud Office (OLAF), the WCO-UNODC Container Control Programme, INTERPOL, Europol, the EU Network for Implementation and Enforcement of Environmental Law (IMPEL), and the RILO network.

¹⁹ <https://www.wcoomd.org/en/appw.aspx>

²⁰ The inception of the THUNDER Operation series was in 2017.

²¹ The DEMETER Operation series began in 2009.





IPR, Health and Safety

The trends of increasing counterfeiting appears to be continuing. Overall, reports of counterfeiting have been received from Members in all WCO regions, confirming that the threat of IPR crime remains a global one. As the leading international Customs organization, the World Customs Organization, with the support of its Members, is responsible for ensuring efficient and secure trade while protecting consumers and businesses worldwide from the risk of harm.

Introduction

The IPR, Health and Safety Section of this Report examines the global illicit trade in counterfeit and medical goods in 2022. As such, this Section is divided into two broad categories.

The first category, IPR products, discusses counterfeit nonmedical goods, including clothing and accessories, cosmetics, and electronic appliances. The second category, Medical products, looks at all illicitly traded and smuggled medical goods, such as medicines, pharmaceutical products, medical devices, and medical technologies, as well as products that are counterfeit, genuine products that lack appropriate authorization or licenses, and undeclared products.

Illicit trade is still considered an important source of profit for criminal organizations. Members reported 43.7 million pieces of non-medical IPR goods in 2022, while reporting 46.2 million pieces in 2021. Overall, non-medical IPR products decreased by 5.5% in 2022 compared to 2021. In terms of illicit medical products, there was a notable increase in medicine trafficking in 2022. More than 189.4 million units were seized. This total was reported as 189.2 million pieces and 192.1 tons of illicit medicines. Although the number of seizures fell from 11,794 in 2021 to 5,399 in 2022 (a decrease of 54%), the quantity of illicit medicine increased by 80% (84 million) in 2022. Counterfeit products were reported by Members in all WCO regions, confirming that the threat of IPR crime is a global issue. Mail was the most frequent conveyance means for counterfeit goods in 2022, with 78% of the total seizures carrying more than 4.4 million pieces (5%). Despite the decrease in frequency by 32% in 2022, the number of counterfeit items transported by mail increased by 16%. In terms of quantity, vessels come first as they were responsible for the transportation of 70% (30.4 million) of the counterfeited pieces, recorded in 4,366 (8%) of seizures.

Asia Pacific was the largest departure for IPR goods with more than 22,900 seizures (45%), including more than 30.8 million pieces (71%). The main destinations for Asia Pacific were the Americas and Europe, with the Americas receiving 56% (12,941) of its seizures and 55% (17.1 million) of its pieces, while Europe received 38% (8,772) of its seizures and 25% (7.8 million) of its pieces.

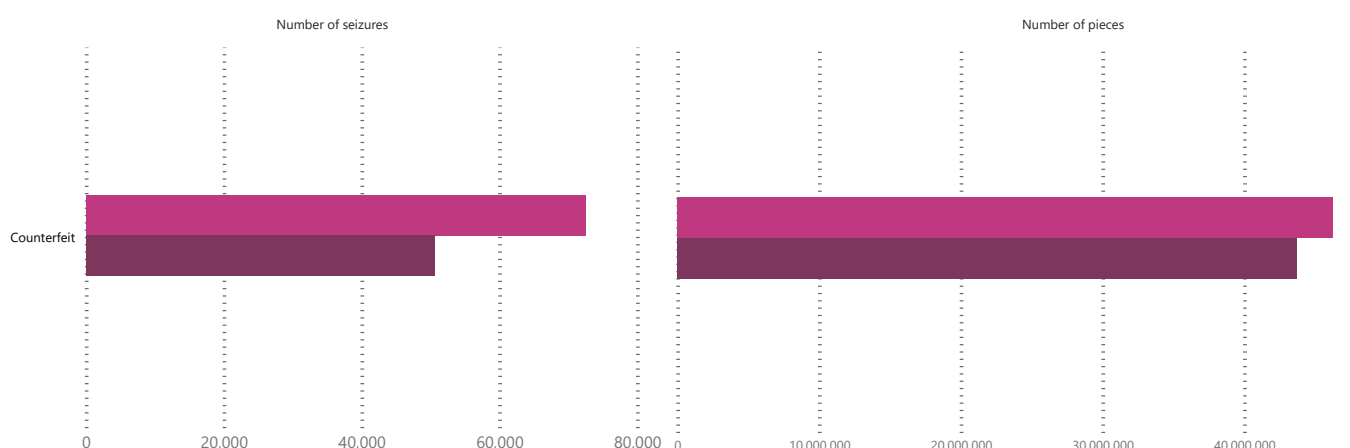
Of the sixteen IPR categories, counterfeit accessories were the most common seizures with more than 17,300 occurrences containing more than 3.55 million pieces. Clothing was the second most frequent seizure with more than 12,200 cases with 2.7 million pieces.

Nervous system agents were the largest intercepted category in 2022 with more than 108.6 million pieces and 11 tons representing 57% of the total quantity. It was also the second most frequent type, after Metabolic agents, with 1,244 seizures. Although this frequency decreased by 13% in 2022, the confiscated quantity increased by 40% compared to 2021. Despite the decrease in its seizures by 35% (101), Anti-infective agents were the second-largest reported category with more than 61.2 million pieces and 18.7 tons, with an increase of 86% (52.6 million) relative to 2021.

Small parcels were the most frequent concealment method for trafficking medicine, with 64% of the seizures concealed in this way, accounting for 4% of the total quantity. Similarly, concealing medicine in baggage was also frequent; it represented 18% (961) of the total seizures, carrying almost 2% of the total quantity. Baggage seizures increased in 2022 by 5%, and the quantity concealed in it increased by 174% relative to 2021.

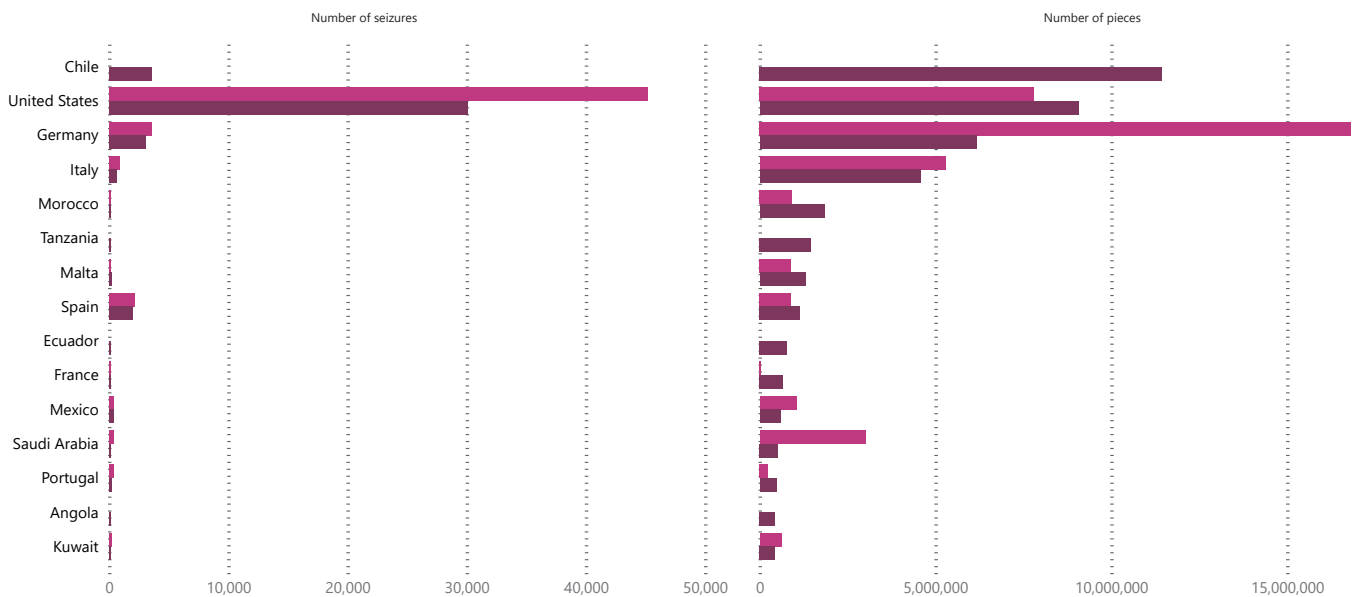
1. Overall trends in trafficking of IPR products

Figure 1: Number of IPR products seizures and quantity seized, 2021-2022



More than 50,500 seizure cases with 43.7 million IPR pieces were intercepted in 2022.

In comparison with 2021, seizure cases fell in 2022 by 30% (21,939 seizures). Similarly, the intercepted quantity also dropped by 5.5% (2.54 million pieces).

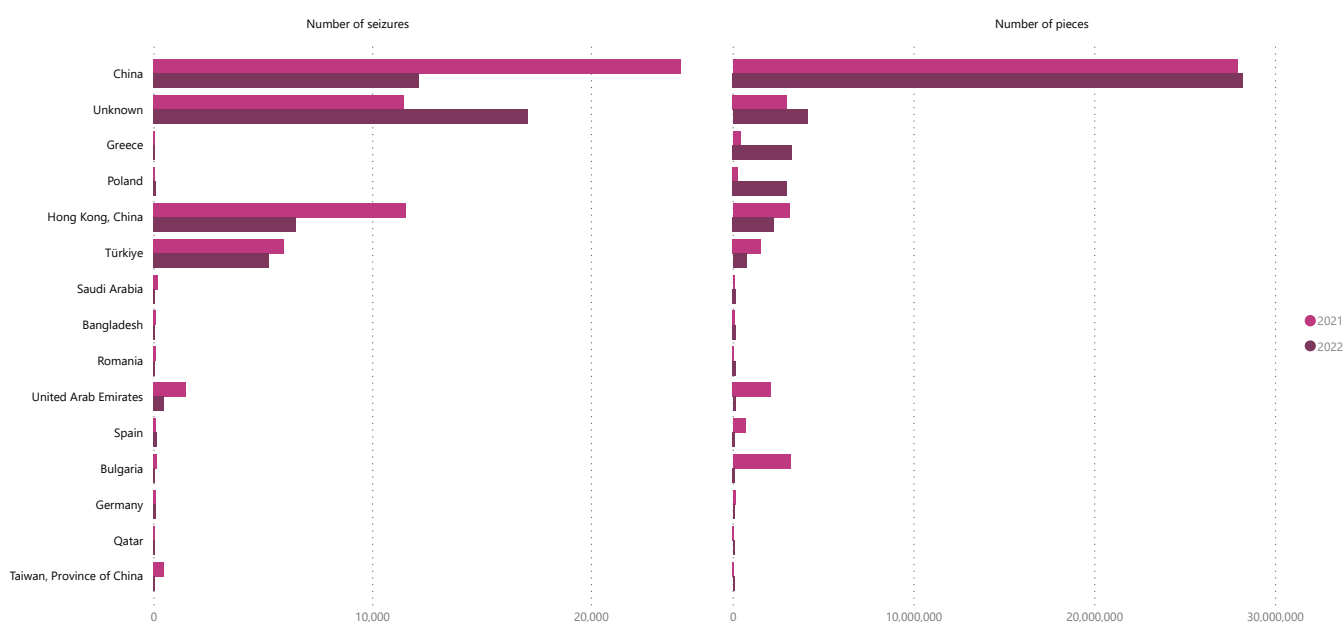
Figure 2: Number of IPR products seizures and quantity seized by country, 2021-2022

The top 15 reporters recorded 94% of the total quantity in 2022. Of them, Chile and the United States reported the largest shares, 13% (11,438,744 pieces) and 10% (9,059,494 pieces) respectively. Germany and Italy also reported relatively large quantities, which added them to the list of top 5 reporters. Morocco, Tanzania, Malta, and Spain were in the middle of the top reporters' list as they collectively reported 7% of the total pieces, while Ecuador, France, Mexico, Saudi Arabia, Portugal, Angola, and Kuwait were at the bottom of the list, collectively reporting 4% of the total pieces.

Four of the top fifteen reporters did not record any seizures in 2021 while representing 35% of the top 15 list total pieces in 2022. These four are: Chile, Tanzania, Ecuador, and Angola.

It is obvious that not only the volume of the risk represented by the seized pieces was high in these countries, but the frequency of that risk measured by the number of seizures was also high. They reported 80% of the total seizures (40,484 seizures). The United States, even with reporting 33% fewer seizures than the previous year, had the largest share in this percentage as it alone reported one quarter (30,115) of the total seizures, followed by Chile, Germany, Spain, and Italy.

Figure 3: Overview of the main departure countries for IPR products by number of seizures and quantity seized, 2021-2022



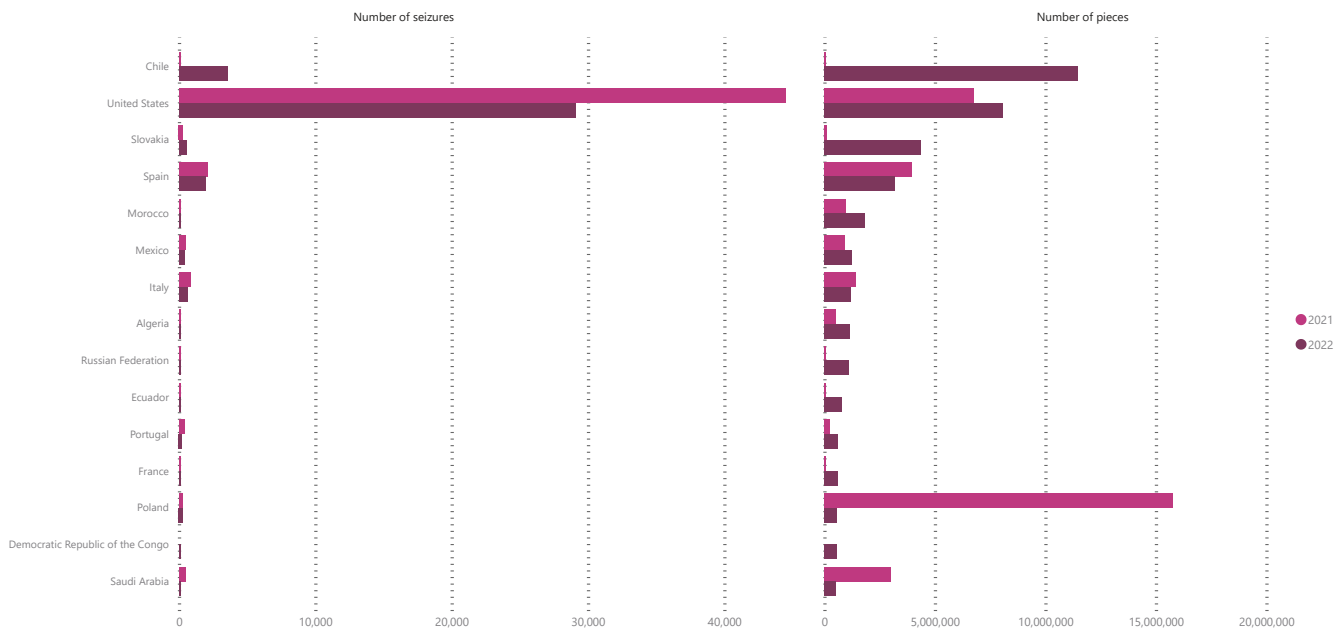
The top 15 departures list constitutes 98% of the total confiscated pieces with 42.97 million IPR units in 42,261 seizures. China comes at the top of the list with 31% (28.2 million pieces) of the total IPR pieces seized in 2022. Unknown departures were also common, with 14% of the total seizures carrying 4.1 million pieces. Greece, Poland, and Hong Kong (China) were also at the top of the list. Despite the relatively low number of seizures that departed from Greece and Poland, the IPR pieces that departed from them were large (more than 6.2 million). Seizures departing from Hong Kong (China) were the second most frequent seizures after China, with 6,506 seizures carrying more than 2.28 million pieces.

Türkiye, even with 51% fewer pieces than the previous year, is positioned in the middle of the list, both in terms of the quantity and the frequency of the seizures, with 759.9 thousand pieces in 5,275 seizures.

Saudi Arabia, Bangladesh, Romania, the United Arab Emirates, Spain, Bulgaria, Germany, Qatar, and Chinese Taipei were at the bottom of the list by the number of pieces, ranging from 176,000 to 104,000, and collectively having more than 1,000 seizures.

In comparison with 2021, the largest drop in the number of seizures was for what departed from China, Hong Kong (China), and the UAE, with 11,981, 5,029, and 1,009 respectively. The largest fall in pieces was for what departed from Bulgaria (3,061,163) and the UAE (1,954,306). Conversely, the highest increase was in Greece and Poland.

Figure 4: Overview of the main destination countries for IPR products by number of seizures and quantity seized, 2021-2022



Despite IPR infringement 113 destinations were hit, the list of the top 15 destinations was affected the most, it received the vast majority of counterfeit items (86%) and the largest number of seizures (73%). Chile and United States were at the top of that list, receiving more than 19.5 million counterfeit pieces (22%), with this, Chile recorded the highest rise in 2022 both in terms of number of pieces and number of seizures, while United States – despite receiving 15,29 fewer seizures in 2022 – remained the second biggest destination for IPR units and the receiver of the largest number of seizures in 2021 and 2022.

Slovakia and Spain lie in the middle of the list, receiving 4.4 and 3.2 million pieces respectively. These quantities were concealed in a large number of seizures, making both countries among the top 10 seizure destinations list.

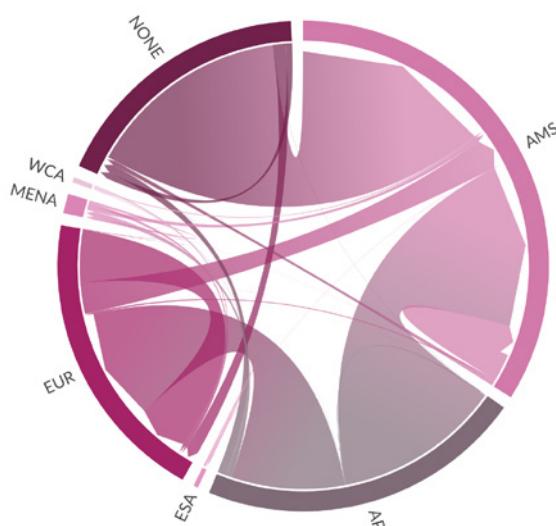
Morocco, Mexico, Italy, Algeria, and the Russian Federation were low-middle destinations, each receiving a range from 1.8 million to 1.1 million IPR pieces. All of them recorded an increase except for Italy, which received 200,000 units less than the previous year.

Ecuador, Portugal, France, Poland, the Democratic Republic of the Congo, and Saudi Arabia came at the bottom of the list, receiving a range from 798,000 to 529,000 units. It is worth mentioning that Poland was the largest recipient of IPR units in 2021 but recorded the largest fall in 2022, receiving more than 15 million units less despite having almost the same number of seizures as the previous year.

Asia Pacific was the largest departure for IPR goods with more than 22,900 seizures (45%), including more than 30.8 million pieces (71%). The main destinations for Asia Pacific were the Americas and Europe. The Americas received 56% (12,941) of its seizures and 55% (17.1 million) of its pieces, while Europe received 38% (8,772) of its seizures and 25% (7.8 million) of its pieces.

Despite the relatively low number of seizures destined for the MENA region from Asia Pacific (405 or 2%), they conveyed a large number of pieces (3.8 million). The same argument applies to the ESA region, which received only 15 seizures containing more than 1.3 million pieces.

Figure 5: IPR products trafficking flows by region, 2022

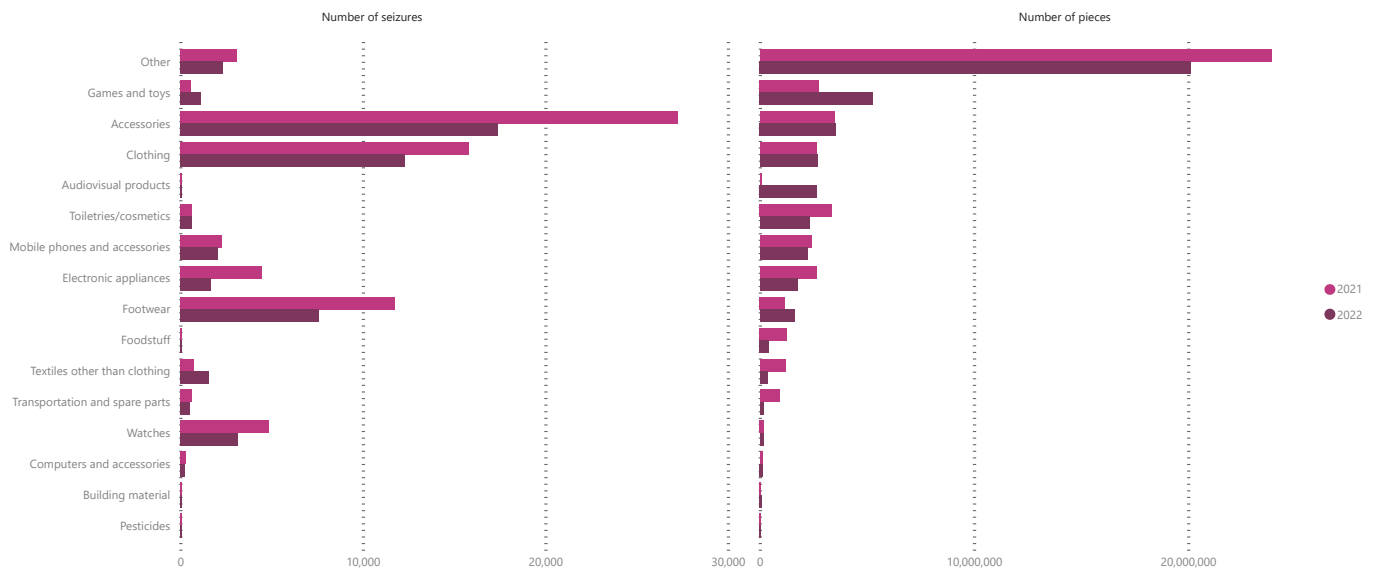


Not many of the Asia Pacific counterfeit goods destination countries were in the same region. Similarly, WCA was not a main destination for Asia Pacific either.

IPR unknown departures were very common, with 33% (17,134) of the seizures carrying more than 7.7 million pieces departing from unknowns. Of these seizures, 91% were destined for the Americas, and Europe was also one of the main destinations for the unknowns.

Europe was the second-largest departure, after Asia Pacific, with 13% of the total seizures and 18% of the total pieces. Its main destinations were countries in the same region, accounting for 61% of the seizures and 60% of the pieces. The Americas was the second main destination in terms of both the number of seizures and the number of pieces. The MENA region was a moderate destination for Europe, but Asia Pacific received few seizures carrying 204 units, and no European IPR units went to Africa.

The Americas was a departure for 5% of the seizures and less than 1% of the units. Its destinations were mainly countries in the same region, with a relatively low number of seizures heading to Europe.

Figure 6: Number of IPR products seizures and quantity seized by category, 2021-2022

Clothing was the second most frequent seizure, with more than 12,200 instances and 2.7 million pieces. Despite the number of seizures decreasing by more than 3,300 seizures, the intercepted pieces had an increase of more than 50,000 pieces.

Footwear was also a common seizure, with more than 11,700 incidents concealing more than 1.6 million pieces. Even with the sharp drop in the number of seizures (4,126), the quantity of counterfeit footwear increased by almost half a million pieces.

Of the sixteen IPR categories, counterfeit accessories were the most common seizures, with more than 17,300 instances containing more than 3.55 million pieces. This was also the case in 2021. Skipping the unidentified items listed under "Other," the accessories seizures decreased by more than 10,000. However, the quantity seized increased by almost 60,000 pieces.

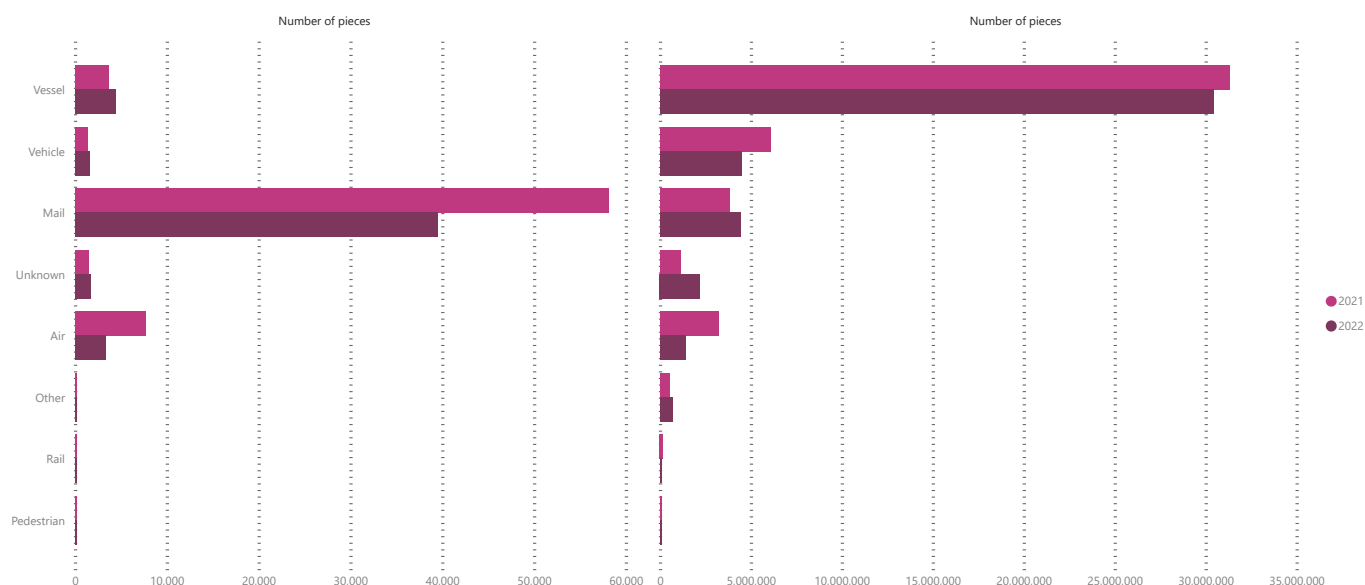
Counterfeit watches were among the top 5 categories in terms of frequency, but they came at the bottom of the list when counting the number of pieces. Both the number of seizures and pieces of this category were fewer than the previous year.

Mobile phones and their accessories were among the top ten IPR items both in terms of frequency and quantity. Similar to watches, both the seizures and the quantity of this category were less than the previous year.

Games and toys dominated the other categories, with almost 5.3 million pieces concealed in a relatively low number of seizures, indicating that they were trafficked in large quantities.

Audiovisual products, toiletries/cosmetics, and electronic appliances were also trafficked in large quantities, ranging from 2.7 million to 1.7 million pieces each. However, the amount seized in 2022 was less than the previous year for all of them.

Textiles and spare parts witnessed a large decrease in 2022, dropping by more than 800,000 pieces for textiles and 700,000 for spare parts.

Figure 7: Number of IPR products seizures and quantity seized by conveyance method, 2021-2022

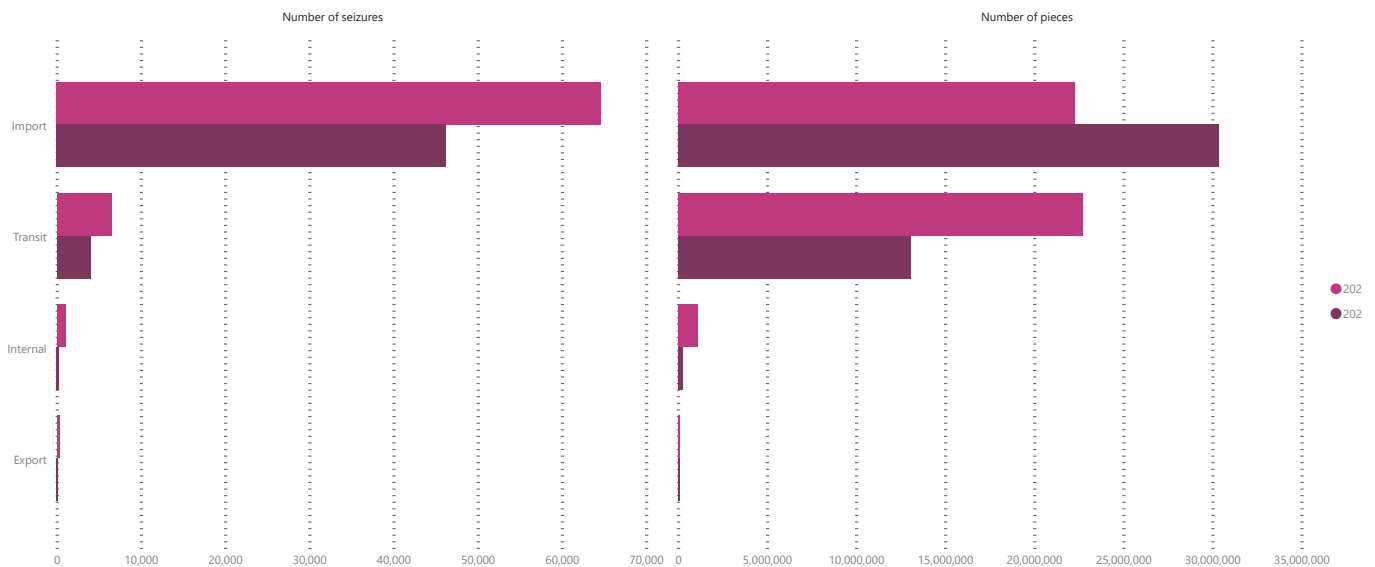
Mail was the most frequent conveyance means for counterfeit goods in 2022, with 78% (39,526) of the total seizures carrying more than 4.4 million pieces (5%). Despite the decrease in its frequency by 32% in 2022, the number of counterfeit items conveyed by mail increased by 16%. The United States was the main reporter for the mail seizures, accounting for 65% of the total mail seizures, followed by Austria (12%) and Germany (7%). It was the main conveyance method for accessories, clothing, and footwear.

In terms of quantity, vessels come first as they transported 70% (30.4 million) of the counterfeited pieces in 4,366 (8%) seizures. Game toys, audiovisual products, and toiletries/cosmetics were the main categories transported by vessels.

Air seizures were also common, representing 7% of the total seizures carrying 3% of the total quantity.

Vehicles conveyed almost the same amount as mail, but the frequency was much less (1,564 or 3% of the total seizures). Game toys were mainly transported by vehicles and vessels.

Figure 8: Number of IPR products seizures and quantity seized by Customs procedure, 2021-2022



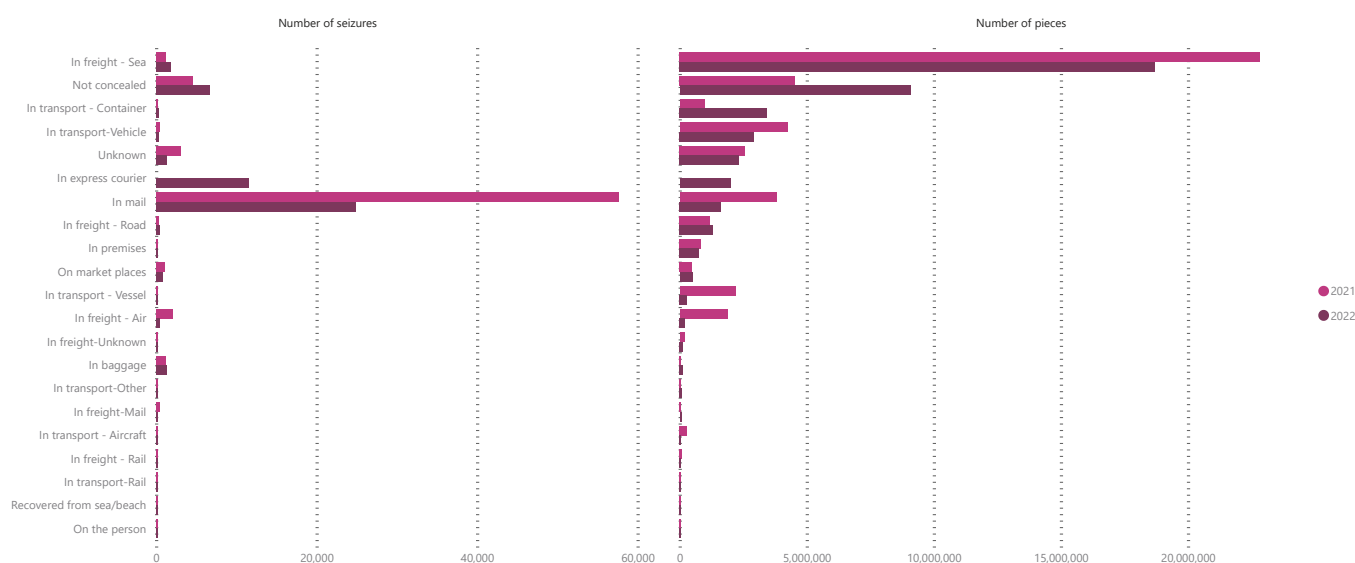
The vast majority of the IPR seizures were at import, with 91% of the total seizures trafficking 70% of the total counterfeit pieces. The Americas and Europe reported most of the import seizures, accounting for 71% and 25% respectively. Despite falling by 28% relative to 2021 import seizures, the intercepted pieces at import increased by more than 8 million.

Transit seizures were the second most common seizures, representing 8% of the total seizures and concealing 30% of the total pieces. 70% of the transit seizures were in Europe, while 28% were in the Americas. Seizures in transit fell by 38% in 2022, and the quantity also dropped by 9.6 million pieces.

There were also 261 internal seizures, most of them in Europe, with a few in the Americas. These seizures contained 238,000 pieces of clothing, accessories, and games and toys. Few seizures were at export (74), carrying 43,849 pieces. The majority of these seizures were reported by Europe and the Americas.

Most of the reported IPR seizures were concealed in small parcels, with 72% of seizures using small parcels to conceal more than 3.8 million pieces of counterfeit goods. Small parcels were used intensively in the Americas, especially the United States, and were also common in Europe, especially in Austria, Germany, and Spain.

Figure 9: Number of IPR products seizures and quantity seized by concealment method, 2021-2022

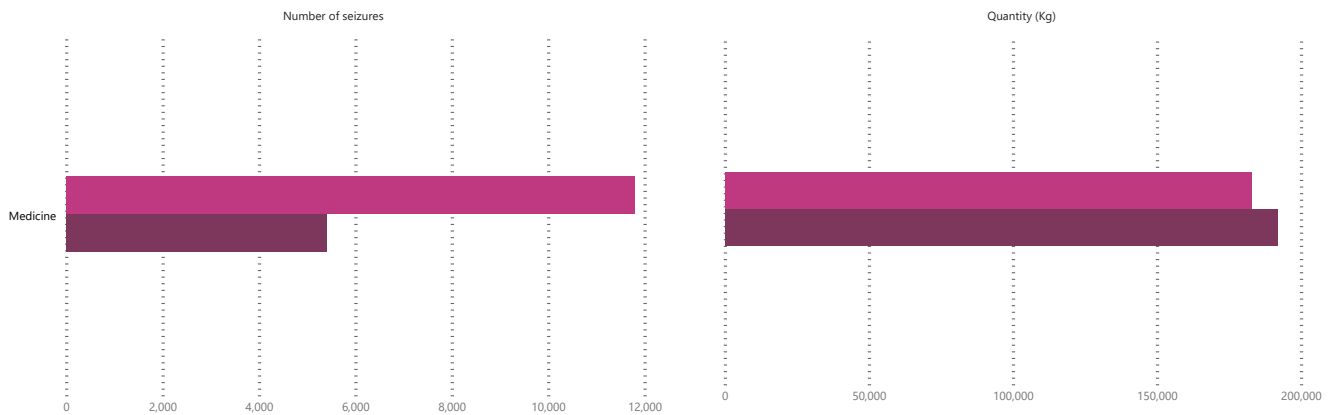


Almost 50% of the IPR pieces were concealed in freights, particularly sea freights, which accounted for 60% of this total. Road freights accounted for 16%, and air freights accounted for 14%. Games and toys, clothing, mobile phones, and their accessories were the largest categories concealed in freights.

Baggage was also used repeatedly for concealing IPR goods, especially for clothing, accessories, footwear, and watches.

2. Overall trends in trafficking of medical products

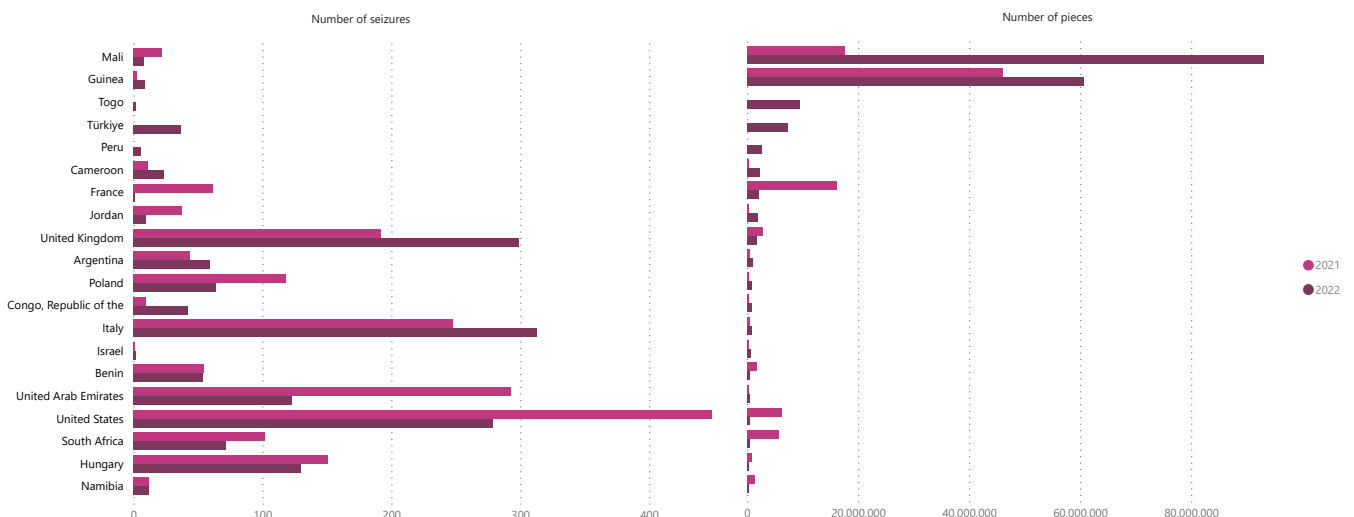
Figure 10: Number of medical products seizures and quantity seized, 2021-2022



There was a notable increase in medicine trafficking in 2022. More than 189.4 million units were seized, and this total was reported as 189.2 million pieces and 192.1 tons of illicit medicines.

Although the number of seizures fell from 11,794 in 2021 to 5,399 in 2022 (a decrease by 54%), the quantity of illicit medicine increased by 80% (84 million) in 2022. The number of pieces increased by 80%, while kilograms increased by 5%.

Figure 11: Number of medical products seizures and quantity seized by country, 2021-2022



The WCO CEN received medicine seizures from 67 Members in 2022. The top 20 reporters, in terms of quantity, recorded 99% (187,335,703) of the total confiscated units.

Mali moved a step higher in the top reporters list, moving from being the second biggest reporter for illicit medicine in 2021 to the highest reporter in 2022 by reporting 50% of the total reported units of medicine. Conversely, Guinea moved a step lower, moving from the top reporter in 2021 to the second highest reporter in 2022 by recording 32% of the total amount.

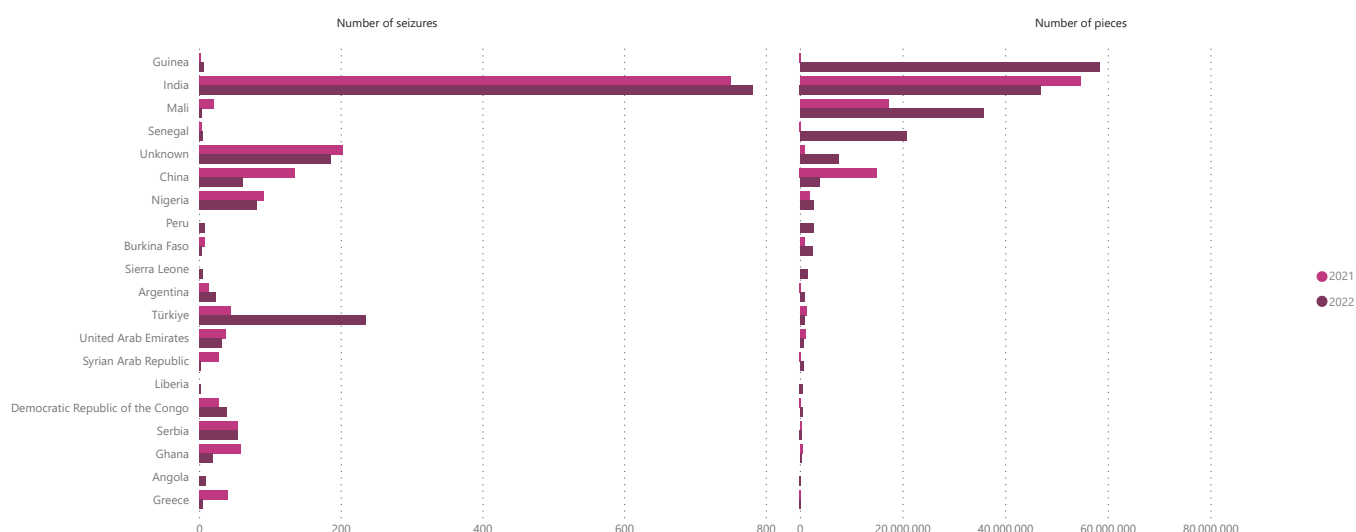
Despite not recording any illicit medicine in 2021, Togo and Türkiye are positioned in the middle of the top reporters list in 2022 by recording 9.4 million units (5%) and 7.2 million units (4%) respectively. It is worth mentioning that Togo's total included 3.7 tons of medicine.

Peru, Cameroon, France, Jordan, and the United Kingdom lie in the low-middle range among the top 20 reporters by reporting an amount ranging between 2.6 million to 1.7 million units. France and the United Kingdom hold lower positions compared to previous years due to France reporting 88% less and the UK 38% less. Alternatively, Peru, Cameroon, and Jordan reported more than previous years.

Argentina, Poland, Congo (Republic Of The), Italy, Israel, and Benin are situated in the low reporters range within the list by reporting quantities ranging from one million to half a million units. All these countries reported more units in 2022 except for Benin, which reported 68% less.

The United Arab Emirates, the United States, South Africa, Hungary, and Namibia came at the bottom of the list by reporting an amount ranging from 0.5 million to 0.3 million units. All of them reported less medicine in 2022 except for the UAE, which reported 450 thousand pieces more.

Figure 12: Main departure countries for medical products by number of seizures and quantity seized, 2021-2022



In terms of the number of seizures, the United States comes first, reporting 47% (2,519) of the total seizures in 2022, while the UK comes second, reporting 10% (512), followed by Italy 7% (365) and Hungary by 2.5% (136). The majority of top reporters recorded a decrease in the number of seizures. For instance, the United States reported 6,165 seizures (71%) less in 2022.

The top 20 departures list contains the group that was the source for 99% of the total seized units (kg & pieces) of illicit medicine in 2022. This amount departed in 3,614 seizures, representing 67% of the total.

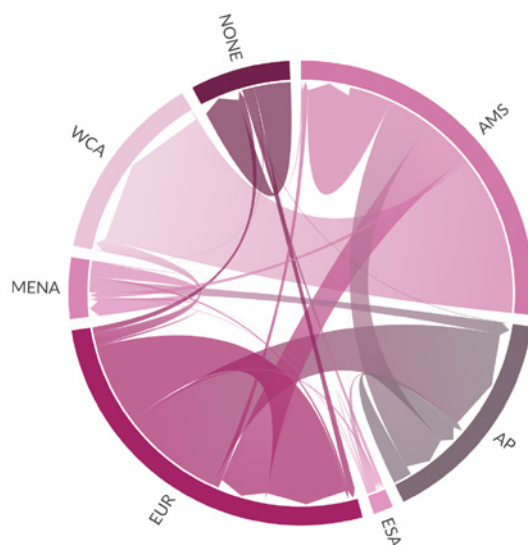
Despite being listed among the top 20 departures, Guinea, Mali, Peru, and Argentina were departures mainly for internal seizures. Consequently, India comes first as across borders departure for medicine, being a source for more than 47 million units (25%), which included more than 53 tons. This total was intercepted in more than 1,200 seizures.

Senegal comes second in order after India for being a source for 20.8 million pieces, representing 19% of the total. This large amount trafficked in large seizures, as it was confiscated in only 12 seizures. Unknown departures were very common, with more than 7.4 million pieces recorded in 1,498 seizures with unknown departures.

China, Nigeria, Burkina Faso, and Sierra Leone were in the middle of the top departures list by being sources for an amount ranging from 4 million to 1.5 million units. That included 4.4 tons and 3.9 million pieces departed from China, and 106 tons and 2.7 pieces departed from Nigeria.

Türkiye, the United Arab Emirates, the Syrian Arab Republic, Liberia, the Democratic Republic of The Congo, Serbia, Ghana, Angola, and Greece were positioned at the bottom of the list by being sources of amounts ranging from one million to 100 thousand units. Ghana was a departure for 5.3 tons in addition to more than 258 thousand pieces.

14 out of the top 20 departures recorded an increase relative to the previous year. The largest increase was in Senegal, while the largest decrease was in China (11 million), followed by India (7.6 million).

Figure 13: Medical products trafficking flows by region, 2022

In terms of the number of seizures, Asia Pacific was the most frequent departure for medicine seizures, with 30% (1,603) of the total incidents, carrying 27% of the total quantity. Europe received 55% of the seizures departed from Asia, followed by the Americas with 23%. Only 10% of the seizures destined for countries in the same region (Asia). However, in terms of quantity, 85% of the medicine departed from Asia went to the WCA region, while 10% destined for Europe and less than 1% to the Americas.

Unknowns were the second most frequent departures, with 28% of the total seizures, carrying 4% of the total quantity, and heading mainly to Europe.

Europe comes third in order as a departure region, with more than 1,200 seizures representing 23% of the total seizures, carrying less than 1% of the total quantity. The most frequent destinations for Europe were Europe itself and the Americas.

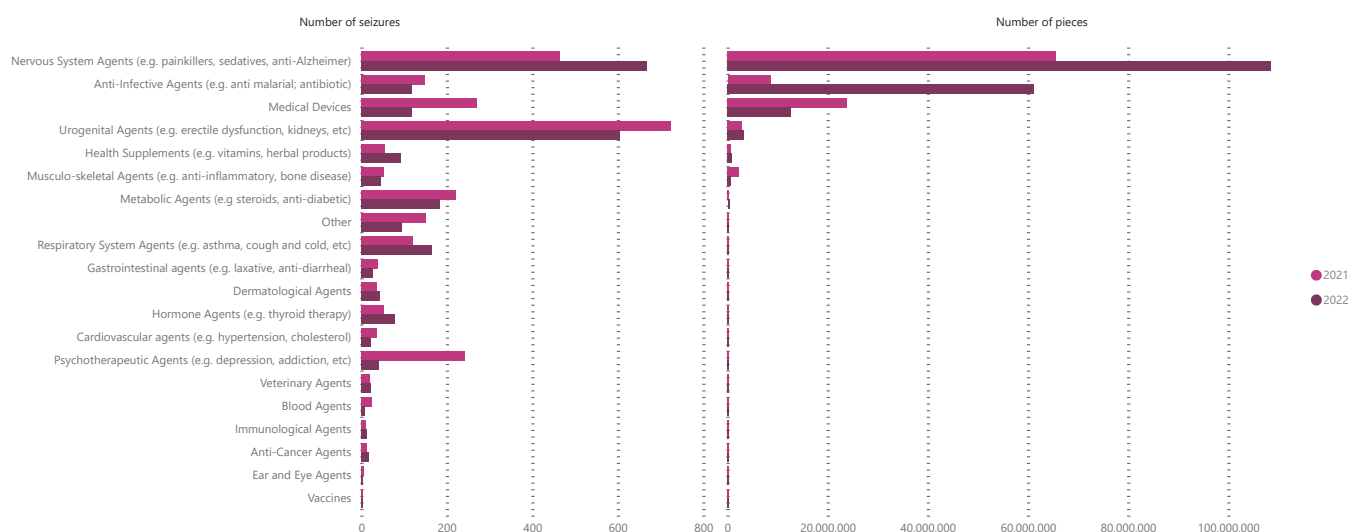
The Americas comes after Europe with 428 seizures, carrying 2% of the total quantity. Most of these seizures destined for countries in the same region.

Similar to the Americas, almost all the seizures departed from WCA went to countries in the same region. Only 53 seizures departed to Europe, carrying 41,000 pieces.

Seizures of the MENA region moved internally within the same region, with few exceptions to the Americas and Europe.

The ESA region was a departure for a few seizures to WCA and EUR. WCA received 70% of the quantity, while Europe received 18%.

Figure 14: Number of medical products seizures and quantity seized by category, 2021-2022



Nervous system agents were the largest intercepted category in 2022, with more than 108.6 million pieces and 11 tons, representing 57% of the total quantity. It was also the second most frequent type, after metabolic agents, with 1,244 seizures. Although this frequency decreased by 13% in 2022, the confiscated quantity increased by 40% relative to 2021. Mali alone reported 86% of the total quantity in 4 large seizures, followed by Togo, which reported 9% of the total quantity in two large seizures. The UK, Guinea, Argentina, Jordan, Cameroon, and the UAE were also among the top reporters of this category.

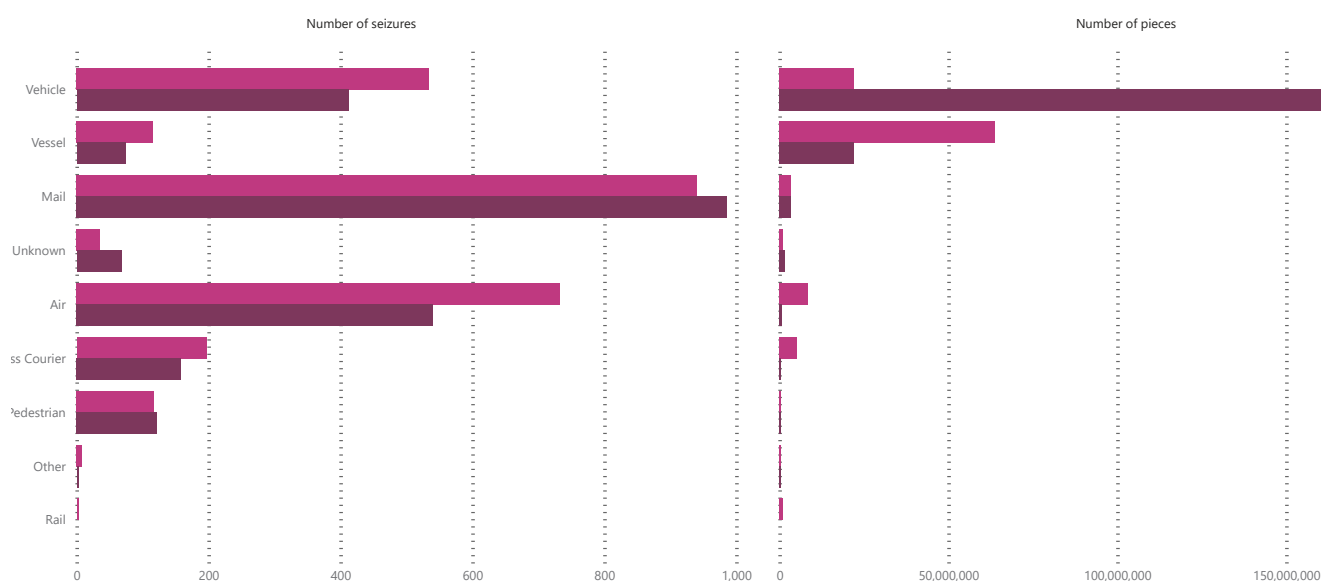
Despite the decrease in its seizures by 35% (101), anti-infective agents were the second-largest reported category, with more than 61.2 million pieces and 18.7 tons, with an increase by 86% (52.6 million) relative to 2021. Guinea reported 96% of the total, and the vast majority of this large share was confiscated in one large internal seizure. Cameroon was in the middle of the reporters' list with more than 1.3 million pieces. Congo (ROT), Benin, Mali, Argentina, Senegal, and Burkina Faso were in the low-middle range of the top reporters' list, reporting between 600 thousand and 17 thousand pieces. The bottom of the list mainly contains European countries.

Seizures of medical devices witnessed a large drop in 2022 (52%), and the quantity also fell by more than 11 million pieces. However, it was the third-largest reported category (12.6 million pieces or 7% of the total). Türkiye was the main reporter for medical devices, accounting for 55% of its total, followed by Peru (21%) and France (16%).

Urogenital Agents (e.g., erectile dysfunction, kidneys, etc.), despite its number of seizures decreasing by 43%, the quantity seized increased by 3% in 2022. This category was widespread, as it was reported by 43 out of 67 reporters. Jordan was the top reporter with 35% of its total in 3 big seizures, followed by Israel, Italy, and South Africa.

Health Supplements, Musculo-skeletal Agents, Metabolic Agents, Respiratory System Agents, Gastrointestinal agents, Cardiovascular agents, Psychotherapeutic Agents, Veterinary Agents, Blood Agents, Immunological Agents, Anti-Cancer Agents, Ear and Eye Agents, Vaccines, and Other medicines represented collectively 2% of the total intercepted quantity and 28% of the total seizures. Musculo-skeletal Agents recorded a large decrease both in the number of seizures (2,898) and quantity (1.6 million).

Figure 15: Number of medical products seizures and quantity seized by conveyance method (in pieces), 2021-2022



Mail was the most prominent conveyance means for medicine. It was used for 66% (3,558) of the total seizures. However, this large number of seizures carried only 2% of the total quantity. In 2022, there was a large fall in mail seizures, both in terms of the number of seizures (62%) and the quantity (55%). The United States was the main reporter for mail seizures with 63% of its total, followed by the UK, Italy, Russia, and Ireland. Despite the relatively low number of mail seizures in Poland, they contained a large number of pieces (more than 785,000 pieces).

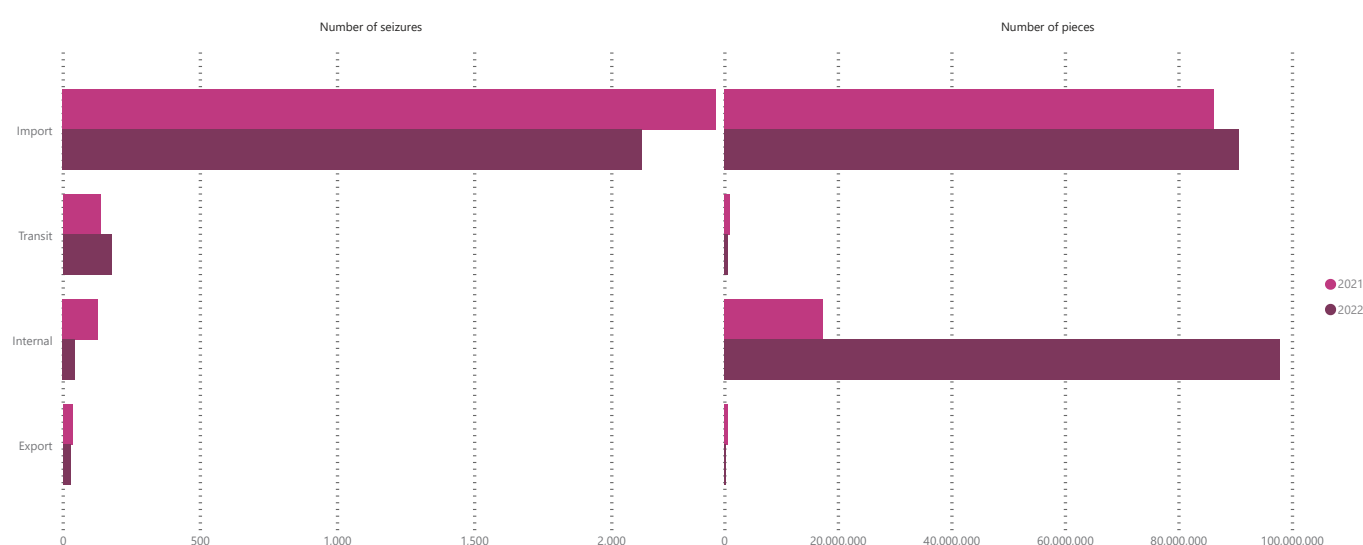
Air was the second most common conveyance means for medicine, accounting for 15% (812) of the total seizures. It concealed more than 679,000 pieces and 10 tons of medicines. Both the number of air seizures and the transported quantity fell in 2022 by 20% and 92%, respectively. Italy, Gabon, the United States, and the UAE were the main reporters for air seizures.

Despite ranking after mail and air in terms of frequency, vehicles came first in terms of quantity for transporting medicines, accounting for 85% of the total in 636 seizures (12%). Although the frequency of vehicle seizures fell by 40% (417), the transported quantity increased by 629% relative to the previous year. This

conveyance type was most commonly used in Mali, Guinea, Peru, Cameroon, Jordan, and Hungary.

Conversely, vessels were not frequently used for transporting illicit medicines. However, their seizures usually concealed large quantities. With less than 2% of total seizures, vessels conveyed almost 21.9 million pieces and 3.7 tons of medicines. Both seizures and quantity decreased in 2022 by 26% and 66%, respectively. Vessel means were mainly reported by Togo, Türkiye, France, Jordan, and Israel.

Figure 16: Number of medical products seizures and quantity seized by Customs procedure, 2021-2022



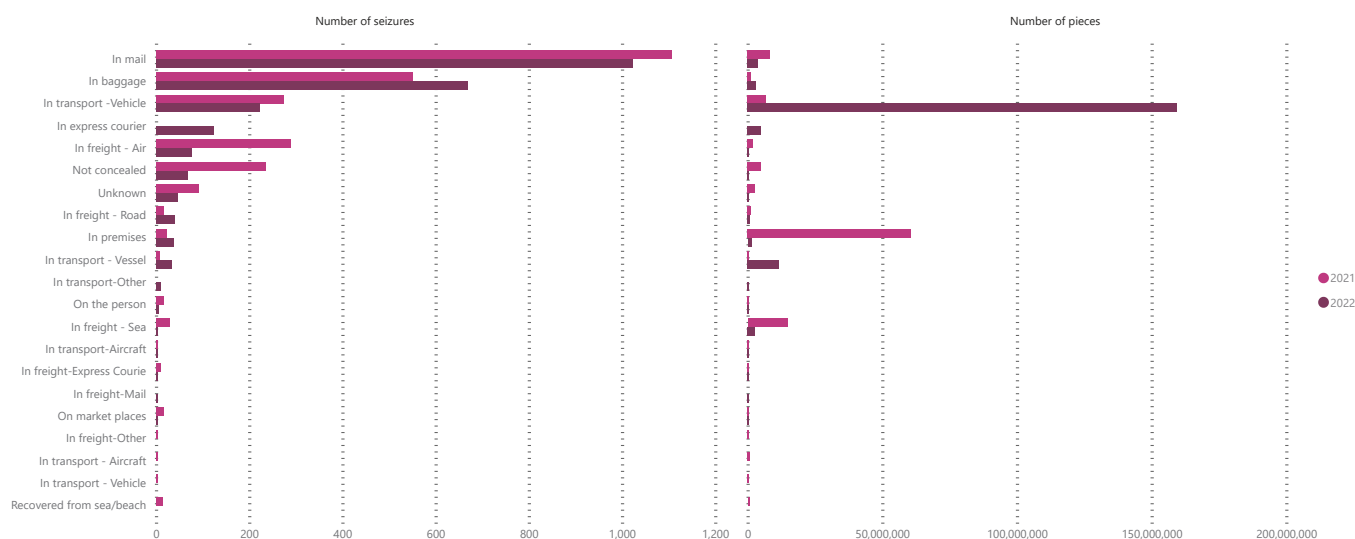
Medicine seizures at import were the most frequent ones, representing 91% of the total seizures and concealing 48% of the total illicit medicines. Despite the fact that the number of seizures in this direction dropped by 55% in 2022, the quantity concealed in the seizures increased by 5%. The United States reported almost 50% of the import seizures, followed by the UK and Italy. The largest import seizures, in terms of quantity, were reported by Mali, Togo, and Türkiye.

Seizures in transit recorded the second most frequent seizures, with 350 seizures concealing more than half a million pieces. Europe was the main reporter for transit seizures, specifically Hungary, Croatia, Poland, and Serbia.

Internal seizures were not common but contained large quantities, concealing 52% of the total medicine units. Africa (Guinea, Mali, Burkina Faso, and Cameroon) and Latin America (Peru, Argentina) were the main reporters for this direction.

Export seizures were relatively low, both in terms of frequency and quantity, accounting for 1% of the total seizures and 0.1% of the total quantity.

Figure 17: Number of medical products seizures and quantity seized by concealment method, 2021-2022



Small parcels were the most frequent concealment method for trafficking medicine. 64% of the seizures were concealed in this way, accounting for 4% of the total quantity. The United States was the main offense location for mail seizures, with 61% of the total, followed by the UK, Italy, Russia, Ireland, and Hungary. UK seizures were not only frequent but also carried a large number of pieces.

Similarly, concealing medicine in baggage was also frequent, representing 18% (961) of the total seizures and carrying almost 2% of the total quantity. Baggage seizures increased in 2022 by 5%, and the quantity concealed in them increased by 174% relative to 2021.

The vast majority of illicit medicines were concealed in transport (vehicles), accounting for 84% (159.5 million units) of the total quantity. Despite the decrease in the number of seizures concealed in this way by 45%, the quantity increased dramatically by 2,269%.

Sea concealment methods, whether in sea freight or in vessels, were less common but carried large quantities (14.4 million units). Using vessels to conceal illicit medicines has been on an upward trend since 2021, with an increase of 514%. This method was mainly reported by France, the UAE, Saudi Arabia, Jordan, and Israel.

3. Open-source analysis

Analysis based on open-source information as of end of April 2023.

3.1 Introduction

This Report presents a risk analysis of the smuggling of Intellectual Property Rights (IPR) infringing items, drawing on open-source information from various sources, including press releases by law enforcement authorities, international organizations, and relevant news articles. The goal is to assist Members in conducting their own risk assessments within their administrations and strengthening IPR enforcement efforts. While protecting public health and safety from IPR infringements is crucial, the complexity of global supply chains poses challenges for effective risk analysis, leading to significant economic, social, and security implications. To improve enforcement, risk analysis should consider not only Customs internal seizure data but also external sources, such as this ITR. The ITR aims to incorporate contributions from Members as well as a range of relevant open-source information.

3.2 Risk analysis on smuggling of IPR infringement

According to the Report, the number of import suspensions by Customs was 26,942 cases, which is a 4.7% decrease compared to the previous year, but still at a high level. The number of import suspension points increased by 7.7% compared to the previous year, reaching 882,647 items.

Import suspensions continue for products that pose risks to health and safety when used or consumed, such as pharmaceuticals, household goods like water purifier cartridges, electrical products, and tobacco and smoking accessories. The number of import suspension points for pharmaceuticals reached 148,439, an increase of about seven times compared to the previous year. The number of import suspension points for tobacco and smoking accessories reached 60,944, an increase of about 11 times compared to the previous year.

Example of seized items by Japan Customs



Smartphone accessories (Trademark)



Battery (Trademark)



Toy card (Copyright)

Electric toothbrush replacement head
(Trademark)

Earphone (Trademark)

The packaging and instructions for a medicine
(Trademark)

According to the Report, there was a significant increase in the number of detentions of goods infringing intellectual property rights (IPR) at the EU border in 2021 compared to 2020. **The number of detentions reported by police, Customs, and market surveillance authorities rose by approximately 34%.** Most of these goods were cigarettes, followed by toys and packaging materials. There was also a notable increase in detentions related to online sales.

In terms of the number of counterfeit goods detained, only six Member States (Italy, the Netherlands, France, Portugal, Spain and Hungary) accounted for almost 99 % of the total reported items detained in 2021 in the EU internal market.

Within the EU internal market, the number of detained IPR-infringing goods likewise increased in 2021 compared to the previous year. **The most commonly detained items at the EU border were counterfeit clothing, footwear, and accessories, making up 28% of all detentions. This was followed by counterfeit watches at 14% and counterfeit toys at 13%.** In terms of IPR categories, trademarks were the most frequently infringed upon in all categories of detained items.

Detentions related to online sales of IPR-infringing goods saw a significant increase. **In 2021, 69% of all detentions at the EU border were connected to postal and courier shipments, which are often linked to online sales.** The Report also highlighted a rise in detentions related to online marketplaces and social media platforms.

The Report states that EU Customs have the authority to act on their own initiative (ex officio) if they suspect an IPR infringement. In such cases, Customs must identify the rights holder, who is then required to submit a national application within four working days for Customs to continue the detention or suspension of the goods' release. Although still a minority, **the percentage of ex officio detentions has been gradually increasing after years of slow decline, reaching 3.51% of all cases in 2021.**

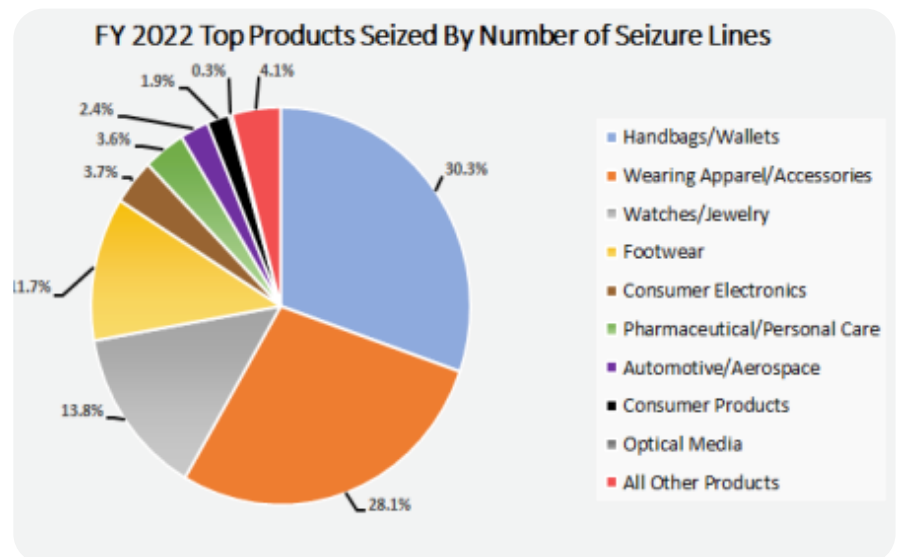
Sources: Report of EU enforcement of intellectual property rights: results at the EU border and in the EU border and in the EU internal market 2021(2022_Joint_TAXUD_EUIPO_document_on_detentions_during_2021_FullIR_en.docx (europa.eu).

Report of Japan Customs IPR enforcement 2023 (ka20230303.pdf (mof.go.jp)
*Japanese)

In Fiscal Year (FY) 2022, U.S. Customs and Border Protection (CBP) and U.S. Immigration and Customs Enforcement (ICE)-Homeland Security Investigation (HSI) seized 20,812 shipments containing goods that violated Intellectual Property Rights (IPR). This equates to nearly 25 million counterfeit goods with an estimated manufacturer's suggested retail price (MSRP) of over \$2.98 billion (USD), had they been genuine. Handbags/Wallets and Watches/Jewelry were the top seized products in terms of the number of seizure lines and total MSRP value, respectively.

CBP focused on seizing illegal imports of counterfeit, unapproved, or substandard COVID-19 related products to protect American consumers' health and safety. Seizures included 270,135 prohibited COVID-19 test kits, over 5.8 million counterfeit face masks, and 23,653 prohibited hydroxychloroquine tablets. Of the seizures, 21% occurred in the Express Consignment environment, 55% in incoming mail, and about 41% originated in China. CBP collaborated with partner government agencies to expedite medical supplies and personal protective equipment through Customs clearance while identifying and intercepting fraudulent or substandard materials.

The People's Republic of China remained the primary source economy for counterfeit and pirated goods seized, accounting for an estimated MSRP value of almost \$1.8 billion (USD), or approximately 60% of the total estimated MSRP value of all IPR seizures.



Sources: Report of US CBP Intellectual Property Rights Enforcement Updates and others in the CBP website (Intellectual Property Rights | U.S. Customs and Border Protection (cbp.gov))

3.3 Conclusion

This chapter presents a risk analysis of the smuggling of Intellectual Property Rights (IPR) infringing items, drawing on open-source information from various sources, including press releases by law enforcement authorities, international organizations, and relevant news articles.

The Report covers the analysis from Japan Customs, EU enforcement of intellectual property rights, and US CBP Intellectual Property Rights Enforcement Updates. Japan Customs saw a decrease in the number of import suspensions by Customs compared to the previous year but still at a high level. Import suspensions continue for products that pose risks to health and safety when used or consumed, such as pharmaceuticals, household goods like water purifier cartridges, electrical products, and tobacco and smoking accessories.

The EU reported a significant increase in the number of detentions of goods infringing intellectual property rights (IPR) at the EU border in 2021 compared to 2020. Most of these goods were cigarettes, followed by toys and packaging materials.

The US reported seizing 20,812 shipments containing goods that violated Intellectual Property Rights (IPR) in Fiscal Year (FY) 2022, equating to nearly 25 million counterfeit goods with an estimated manufacturer's suggested retail price (MSRP) of over \$2.98 billion (USD), had they been genuine. Handbags/Wallets and Watches/Jewelry were the top seized products in terms of the number of seizure lines and total MSRP value, respectively.





Revenue

Revenue collection remains a significant responsibility for Customs worldwide. Risks associated with revenue collection in the Customs environment are identified and known. Yet, organized crime groups have become more sophisticated in their efforts to evade Customs duties and taxes on the sale or use of specific products. This poses a greater challenge for Customs administrations to effectively disrupt these activities and calls for enhanced capacity of analysis and information gathering of Customs.

Following the COVID-19 pandemic, governments reaffirmed the importance of the fight against revenue losses caused by the evasion of duties on unlawfully imported goods. Undesirable consequences of illicit trade extend beyond revenue losses and encompass a wide range of social concerns and illicit activities.

Introduction

Although Customs administrations in many countries continue to experience and endure more diverse responsibilities due to an ever-expanding scope and a broadened Customs environment, the traditional role of revenue collection remains a key priority and responsibility.

Although Customs administrations in many countries continue to experience and endure more diverse responsibilities due to an ever-expanding scope and a broadened Customs environment, the traditional role of revenue collection remains a key priority and responsibility.

Excise duties or taxes are indirect taxes on the sale or use of specific products and are often imposed to either limit or reduce consumption of such products. Products subject to excise duties may vary from one jurisdiction to another, but in general, alcohol, tobacco, mineral oil, and fuel are the primary products subjected to such taxes.

Where goods are highly taxed, easily transportable, and penalties remain relatively light for trafficking, transnational criminal organizations will take advantage of any weaknesses in Customs, revenue, or other border controls to accumulate profits. Such organizations have little regard for the health of consumers, loss of revenue to governments, and damage to legitimate businesses, and will most likely reinvest profits in other illicit activities.

Revenue risks in the Customs context include leakage through the smuggling of highly taxed goods. They also include commercial fraud activities such as undervaluation, misuse of origin and preferential duties, misclassification, and drawback fraud.

As the world reopens after the Covid-19 pandemic, criminal networks will continue to adapt their methods and modi operandi, which are increasingly more professional, sophisticated, and harder to detect, to benefit from the substantial profits derived from smuggling and excise fraud.

It is interesting to note that according to the International Property Crime Threat Assessment 2022 published by EUIPO and Europol: "Tobacco consumption has seen a continuous decrease over the last years in the EU. However, the share of illicit consumption remains high, representing 7.8 % of total cigarette consumption and a loss of EUR 8.5 billion in tax revenues"

Another critical aspect highlighted in the paper is the ever increasing threat of illicit production facilities: "The increase in the volume of counterfeit cigarettes detected in the EU has been partially attributed to the presence of illegal tobacco factories within the EU"

The continuous rise in the cost of living is another factor that criminal networks might exploit as they prey on vulnerable consumers who seek to obtain cheaper goods.

Customs administrations worldwide must continue to face and tackle these challenges by demonstrating agility and responsiveness. They should also implement a strategic approach that relies on the importance of capacity-building and international cooperation.

Taking into consideration the available seizure data and the fiscal impact of the illicit trade in excise goods on governments, the Revenue Section explores two main categories of products frequently trafficked to avoid excise taxes around the world: tobacco and alcohol.

Sources: https://www.europol.europa.eu/cms/sites/default/files/documents/Report.%20Intellectual%20property%20crime%20threat%20assessment%202022_2.pdf

Focus on Commercial Fraud

WCO Trendspotter Study on Customs- related Commercial Fraud

The WCO Illicit Trade Report's "Revenue" section primarily focuses on two commodities: tobacco products and alcohol products. However, the work of the WCO also encompasses other types of fraud, such as commercial fraud. Members have stressed the importance of detecting trends in these areas.

Ensuring better and fairer revenue collection is a key objective of the WCO Strategic Plan 2022-2025. However, there is a lack of data in this regard. Evaluating the unknown has proven to be difficult, which limits the estimate of revenue losses for administrations in this area to case studies.

To address this issue, the WCO Secretariat, with financial support from the Korean Government through the Customs Cooperation Fund of Korea (CCF Korea), initiated the first WCO Trendspotter Study on commercial fraud. This study relies on an innovative methodology and the establishment of an expert group representing national administrations, RILOs, and the European Anti-Fraud Office (OLAF). It focuses on new and emerging trends and phenomena related to Customs-related commercial fraud.

The study highlights several important findings, which will not be developed here. These include:

- The most prevalent types of commercial fraud, such as activities carried out through e-commerce channels, shell and vanishing companies, and circumvention of antidumping and countervailing duties.
- The most pressing threats regarding commercial fraud, which highlight areas of focus for Customs.
- New *modi operandi* that have emerged during and due to the pandemic.
- Elements that affect how fraudsters operate, questioning how they adapt to changes and crisis situations.
- Indicators of suspicious activities that complement selection criteria.
- The most effective means of detection.



The study's methodology was notably developed due to the lack of existing data, as reported in the CEN database. As emphasized in the study, the number of seizures reported as "import duty" under the category of "tax and duty evasion" is very limited for 2021, with only 418 seizures, while 3,446 seizures are not documented regarding the type of tax. As a result, one of the recommendations is to enhance the CEN database, particularly in terms of reporting on several important fields. When the reporting of commercial fraud cases improves, a dedicated section should be added within the Revenue section of the Illicit Trade Report. The Trendspotter Study lays the groundwork for such a development.

Furthermore, it has become evident during the project that existing tools for monitoring and analyzing commercial fraud are limited. To overcome this, a proposal within the project was to create a data-driven Fraud Observatory, which would analyze trends in the area of commercial fraud and excise fraud, providing support to WCO Members. Operational measures targeting identified threat areas, such as guidance and standards, operations, workshops, and training, should also be developed to increase knowledge and foster cooperation among Members. Additionally, techniques of analysis, such as mirror analysis, could be employed.

The project culminated in a High-Level Launching event in November 2022, with around 200 participants representing 60 administrations.

The report can be downloaded at the following address:

<https://www.wcoomd.org/en/media/newsroom/2022/november/wco-launches-its-first-global-trendspotter-report-on-Customs-related-commercial-fraud.aspx>

1. Overall trends in the trafficking of tobacco products.

Figure 1: Percentage of seizures by product, 2022

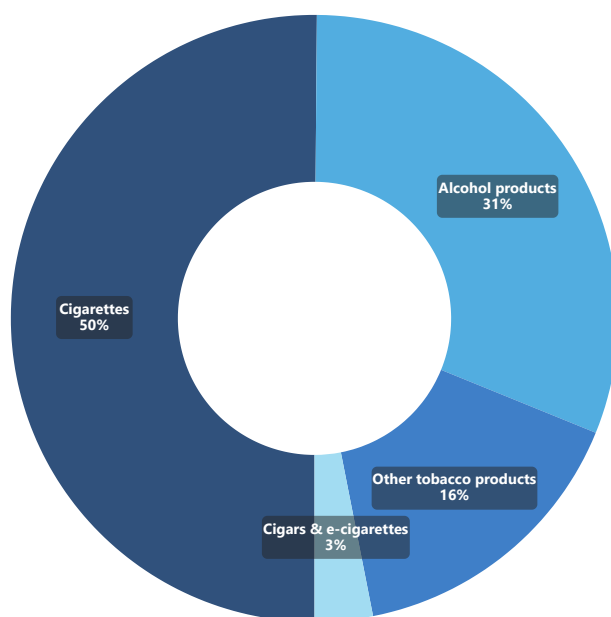


Figure 1 divides all seizures of excise goods in 2022 into four main categories: alcohol products, cigarettes, cigars and e-cigarettes, and other tobacco products. Sub-categories belonging to the four main categories are not shown in the figure but the following analysis refers to them.

Here are the key findings from Figure 1:

- There are no significant changes compared to 2021 in terms of seizure percentages.
- Tobacco products account for more than two-thirds (69%) of all seizures, while beverages represent less than a third (31%) of seizures.
- Cigarettes make up the majority (50%) of all seizures and contribute to approximately half of the reported revenue seizures. Seizures of other tobacco products account for 15.7% of all seizures. It's worth noting that the number of seizures of other tobacco products can vary.
- Seizures of chewing tobacco represent 7.9% of the total seizures, while seizures of e-cigarettes account for 2.6% of the total seizures.

The "other tobacco products" category encompasses the following sub-categories: "other smoking and tobacco substitutes" (0.9% of total tobacco seizures), "cigars, cheeroots" (0.8%), "raw tobacco" (0.5%), "tobacco components" (0.2%), and "other" (0.4%). Among seizures of other tobacco products, 49.9% were related to chewing and dipping tobacco (compared to 46.3% in 2019 and 32.8% in 2019), 28% were related to hand-rolling and pipe tobacco (similar to 28% in 2021 and 22.8% in 2019), and 13% were related to water-pipe tobacco (compared to 13.5% in 2021 and 24.7% in 2019).

Alcohol products account for 31% of seizures. This percentage aligns with the long-term average. In 2017, alcohol products represented 30.3% of seizures, and in 2018, there was a temporary drop to 29.4%. The fluctuations can be attributed to variations in the reported number of seizures. The "other spirits and alcohol" category includes sub-categories such as "gin" (3.2% of total beverage seizures), "liqueur" (2.5%), "other spirits" (4.3%), "undenatured ethyl alcohol" (0.5%), and "other" (1.8%).

Illegal tobacco production sites

Within this ITR, it must be stressed that 18 seizures of tobacco machinery were reported in 2022. This number is significant and warrants further analysis to examine the trend in relation to the development of illicit factories. These factories serve illegal markets for cigarettes and fine-cut tobacco. Illicit factories are identified as the second main threat according to Members who responded to the Illicit Trade Report survey (hereafter referred to as the "ITR survey"), ranking on par with concealment in parts of vehicles, with maritime shipping being the most frequently mentioned method.

In Europe, while this threat was initially limited to certain countries, notably central Europe, it has now expanded to other countries such as Belgium, the Netherlands, and Spain. France also dismantled its first illegal factory in December 2021. The availability of machinery on the internet, as noted by a Member in the ITR survey, has contributed to this trend. RILO WE has highlighted that cigarettes are increasingly being illicitly produced closer to the final destination and end-customer countries, often in countries with higher taxation on tobacco products. This proximity allows them to evade enforcement controls on illegal transportation.

Recent discoveries of illicit cigarette production facilities in the European Union have revealed their capacity to manufacture up to one million cigarettes per day. A notable example is the December 2022 Operation "Baserria" in Spain.

The analysis of reported cases in 2021 and 2022, based on the detection methods used by Customs administrations to identify smuggled goods, leads to the following conclusions:

- For combined tobacco and alcohol products, the majority of cases in 2022 were detected through routine and random controls (51.2%). This detection method was also the most productive in 2021 (52.1%).
- An important observation is the consistent increase in the use of risk profiling as a detection method: 46.3% in 2022, 44.2% in 2021, 37.9% in 2019, and only 15.4% in 2018.
- However, it should be noted that the methods of detection for tobacco seizures and seizures related to beverages differ in 2021 and 2022. Risk profiling is more prevalent for beverage seizures (66.2% of beverage cases and 40.8% of tobacco cases).

Figure 2: Percentage of Cases by Detection Method, 2021 - 2022 (Tobacco/Alcohol)

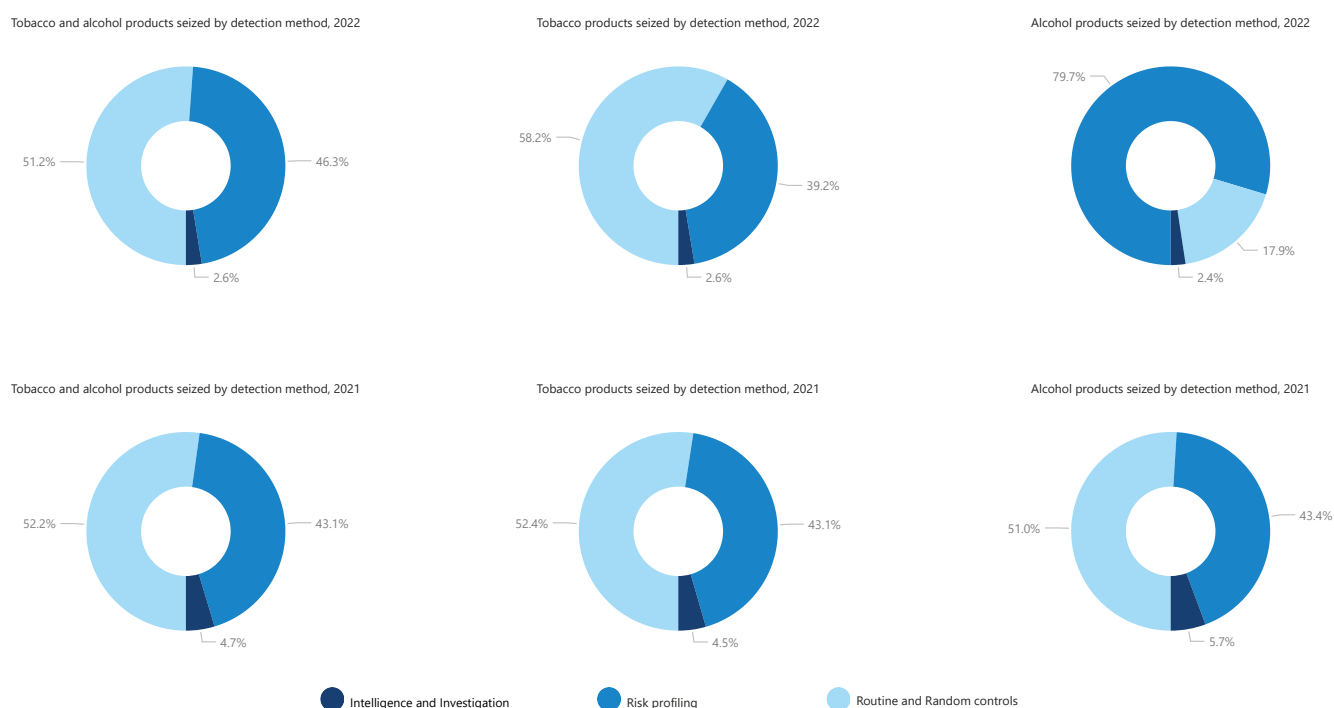


Figure 2 presents the differentiation of detection methods used by Customs administrations for tobacco and alcohol products in 2021 and 2022.

In 2022, a majority of tobacco smuggling cases were detected through routine and random controls (58.2%).

In 2022, a large majority of alcohol smuggling cases were detected through risk profiling (79.7%), while it accounted for only 39.2% of tobacco cases.

It is still premature to identify a clear trend regarding the most effective means of detecting cases of smuggled beverages. In 2020, routine and random controls were the most productive detection method for alcohol products, accounting for 66.1%, while risk profiling accounted for 17.1%.

In 2021, intelligence and investigation accounted for 4.5% of tobacco product cases and 5.7% of alcohol product cases. Although these percentages appear relatively stable, it should be noted that in 2020, 16.8% of cases were detected using this method.

Detection carried out by Members enables the identification of evolving modus operandi employed by fraudsters. In the ITR survey for 2022, 37% of the responses stated that no new smuggling routes or concealment methods were encountered for tobacco trafficking in the past year, while new modus operandi were reported in two-thirds of the answers. For alcohol products, this percentage was 46%.

In conclusion, these findings emphasize the continuous need for updating knowledge and implementing new control methods, highlighting the importance of further cooperation between Customs administrations.

The analysis presented in this section should be considered with a few important caveats. Firstly, the conclusions drawn are based on voluntary case and seizure data provided by WCO Member countries. However, not all Customs administrations may report or disclose their data for various reasons, including the need for confidentiality in ongoing investigations. Consequently, the figures presented in this section may not provide a comprehensive overview of efforts to evade taxes or circumvent prohibitions.

Secondly, apparent increases in the number of seizures for specific goods could indicate improved effectiveness of Customs officers rather than a genuine increase in alcohol and tobacco trafficking. It is crucial to interpret such trends cautiously and consider alternative explanations.

To mitigate these caveats and enhance the analysis, additional sources of information are utilized. This includes the insights shared by Members through the ITR survey, which encompasses dedicated sections on tobacco and beverages. Furthermore, open sources are referenced whenever relevant to further enrich the analysis and provide a broader perspective on the subject matter. By incorporating these additional sources, a more comprehensive and balanced analysis can be achieved.

Excises products – ITR 2022 survey

In the section pertaining to tobacco and beverages, it is important to note that 43 Members completed and returned the ITR 2022 questionnaire, providing valuable information regarding threats, new routes, and concealment encountered by Customs administrations.

Among the responding Members, 90.7% consider tobacco trafficking to be a high or essential priority within their administration, indicating the significant attention given to this issue.

Similarly, 65.1% of the responding Members consider beverages trafficking to be a high or essential priority within their administration, highlighting the level of importance placed on combating the illicit trade of beverages.

Furthermore, the Regional Intelligence Liaison Offices (RILOs) also participated in the ITR survey, and their answers provide additional support for the analysis conducted. The input from RILOs contributes to a comprehensive understanding of the challenges and trends related to illicit trade.



By incorporating the insights and perspectives of both the Members and RILOs, the ITR survey offers a robust and comprehensive assessment of the situation concerning tobacco and beverages trafficking.

In 2022, a total of 87 countries reported 24,168 tobacco product cases, indicating a significant increase of 35.6% compared to 2021. The number of reporting countries remained relatively stable, with 78 countries reporting in 2019. Over the medium term, the number of cases has shown stability, with 22,045 cases reported.

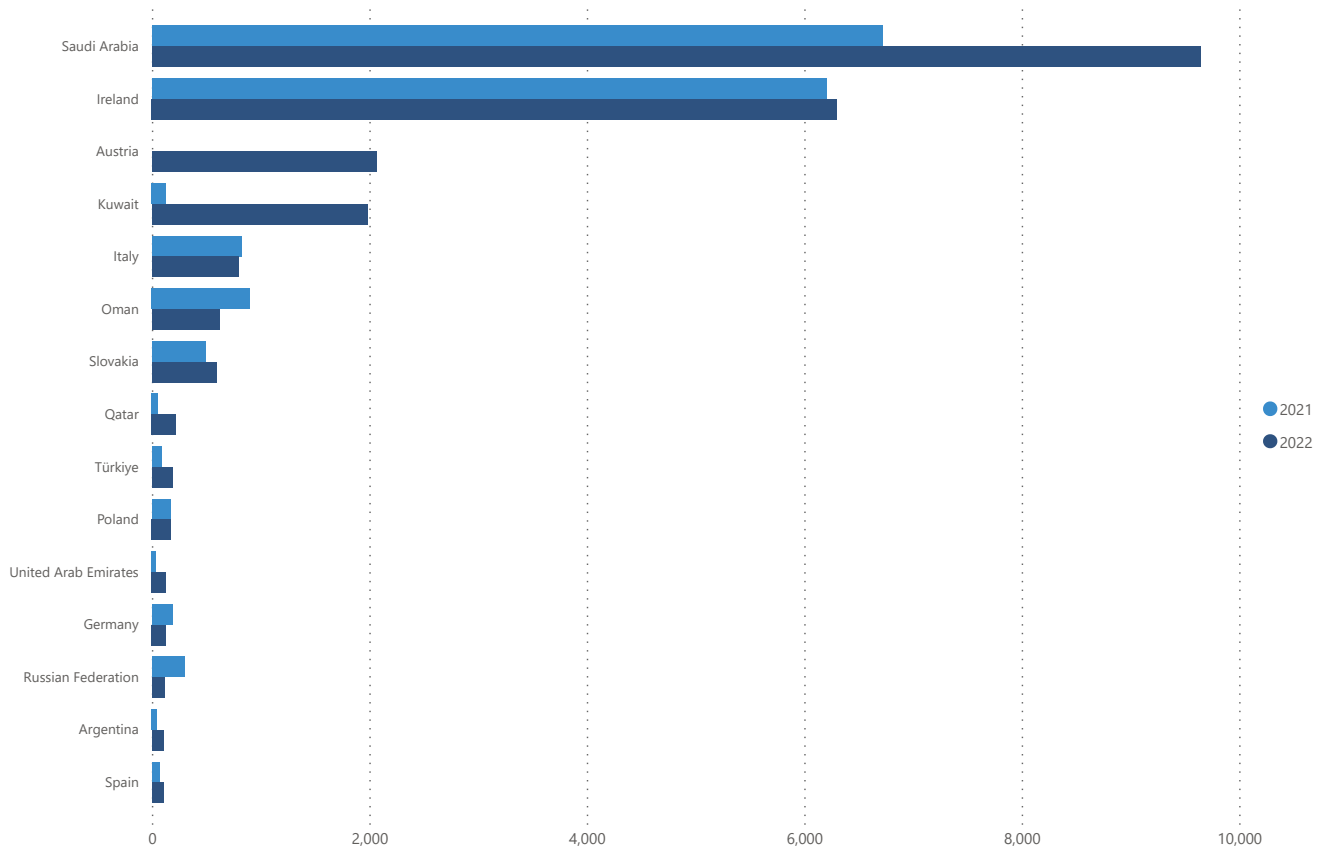
Figure 3: Number of tobacco product cases reported by country, 2021-2022

Figure 3 focuses on the 15 countries that reported the highest number of cases in 2022 and compares their figures to those reported in 2021. Similar to 2021, Saudi Arabia and Ireland reported the highest number of cases, with 9,647 and 6,302 cases respectively. Saudi Arabia experienced a notable increase of 43.5% in reported cases from 2021 to 2022. It's important to note that fluctuations in the number of reported cases from year to year are common and should not be misinterpreted.

Among the top 15 reporting countries, several changes occurred compared to the previous year. Five countries that were not part of the top 15 reporting countries in 2021 (Austria, Qatar, United Arab Emirates, Argentina, Spain) entered the list in 2022. In 2021, Austria did not report any cases, while the other countries ranked 25th, 22nd, and 17th respectively.

Within the top 15 reporting countries, Kuwait, Qatar, and Türkiye showed the most significant increases. Kuwait's reported cases rose by 1438% (from 129 to 1985), Qatar witnessed a 287% increase (from 57 to 221), and Türkiye reported a 111% increase (from 90 to 190).

Conversely, the Russian Federation experienced a notable drop of 61.6% in reported cases (from 302 to 116). The United Arab Emirates saw a decrease of 40.7% (from 221 to 131), while Oman and Germany reported decreases of approximately 30% (30.9% and 31.7% respectively).

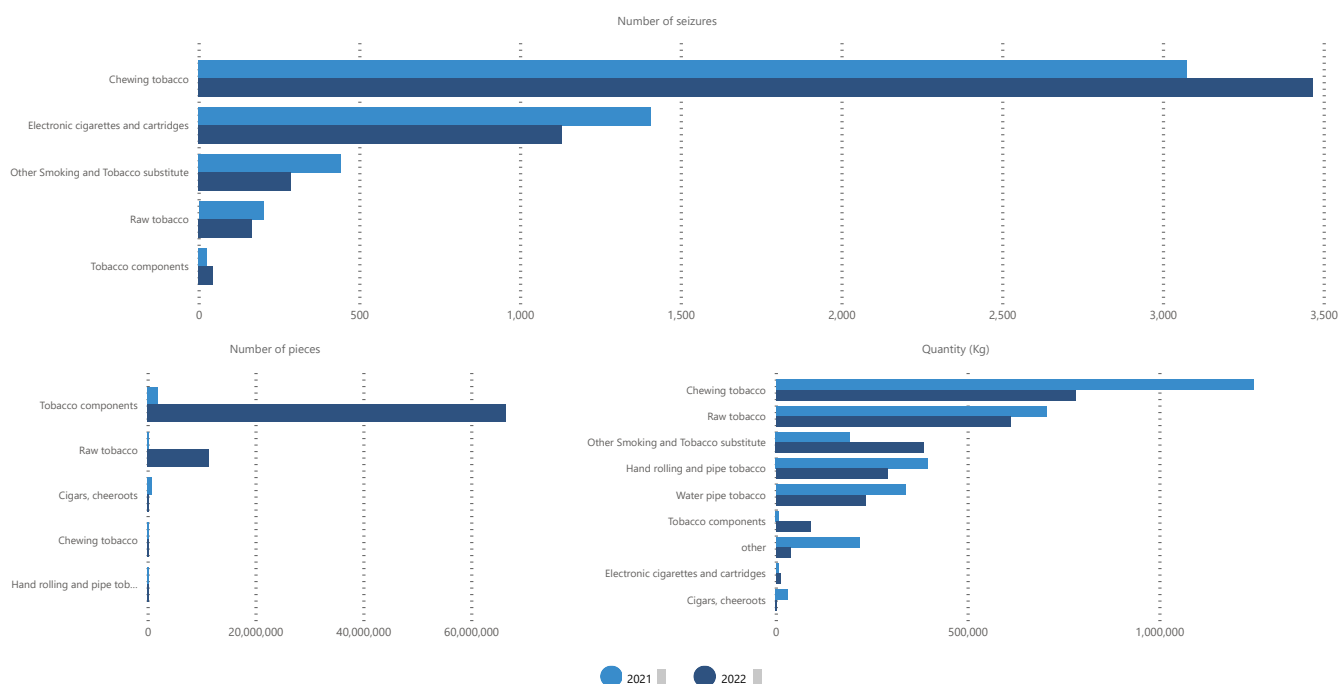
Figure 4: Number of tobacco seizures and quantity seized by category, 2021-2022

Figure 4 presents the number of tobacco seizures and the quantity seized (in pieces and kilograms) for different categories of tobacco products (excluding cigarettes) in 2021 and 2022. Figure 4a specifically focuses on cigarette seizures.

Here are the key points regarding Figure 4:

Compared to 2021, there is a slight increase in the number of seizures for chewing and dipping tobacco (+12.7%) and hand rolling and pipe tobacco (7.3%). However, there is a decrease in the number of seizures for electronic cigarettes and cartridges (-19.7%). It should be noted that between 2020 and 2021, seizures of e-cigarettes increased significantly by 83.4% (reaching 766 seizures in 2020). Additionally, there is a decrease in the number of seizures for cigars and cheroots (-43.8%) and raw tobacco (-18.3%).

After a substantial increase in the number of seizures from 2020 to 2021 (+67.7%), there was a further increase of 12.7% in seizures from 2021 to 2022.

Chewing and dipping tobacco accounted for the highest number of seizures in 2022, continuing its position as the most significant sub-category from 2021.

Seizures of waterpipe tobacco showed a 2.1% increase in the number of seizures from 2021 to 2022. However, the risk associated with this category is not uniform. RILO WE highlighted an increase in seizures of waterpipe tobacco, along with

materials and manufacturing equipment, indicating connections to criminal networks and foreign branches.

The previous ITR mentioned a significant increase in seizures of e-cigarettes and cartridges since 2017, reflecting the growing market importance of e-cigarettes. The relatively stable seizures between 2021 and 2022 may indicate market maturity. However, the significant increase in the number of seized pieces suggests an increase in smuggling and a likely improvement in Customs' detection of associated fraudulent behaviors.

Regarding the number of seized pieces, three categories experienced significant increases: raw tobacco (18,478%), other smoking and tobacco substitutes (214,953%), and tobacco components (3,276%). These increases can be attributed to substantial seizures made by Turkish authorities based on intelligence, particularly in the cases of raw tobacco and other smoking and tobacco substitutes.



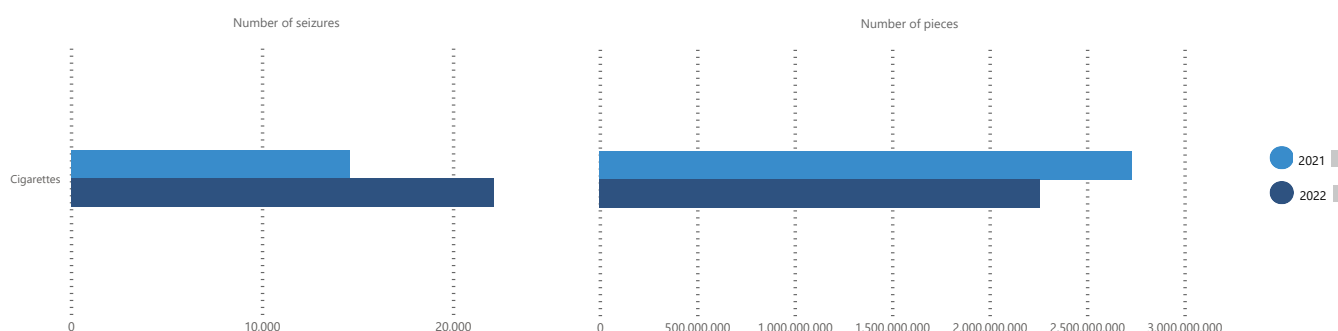
Figure 4a: Number and quantity of cigarettes seized, 2021-2022

Figure 4a compares the number of seizures of cigarettes and the total number of cigarettes seized in 2021 and in 2022.

Here are the key points related to Figure 4a:

Customs administrations reported a 51.6% increase in the number of cigarette seizures reported, but there was a 17.3% decrease in the total number of cigarettes seized (in pieces). This indicates that while the number of seizures has increased, the amount of cigarettes seized per seizure has decreased. Notably, some reported cases, such as one performed by Hong Kong Customs, involved extremely high quantities of seized cigarettes.

In 2022, a total of 22,133 seizures were reported, resulting in the seizure of 2,257,941,935 pieces of cigarettes. In comparison, there were 14,596 seizures and a total of 2,730,137,843 pieces seized in 2021. Looking back to 2017, there were 7,378 seizures reported, with a total of 2,379,956,831 pieces confiscated. These figures suggest that while the number of seizures has increased over time, the total number of cigarettes seized has remained relatively stable, with variations from year to year.

The 10 largest seizures of cigarettes in 2022 accounted for 29.3% of all cigarettes seized (in pieces). In 2021, the 10 largest seizures represented 12.6% of all cigarettes seized, indicating a significant increase in the contribution of large seizures to the total number of cigarettes seized.

Among the 100 largest seizures of cigarettes in 2022, a total of 1,796,786,657 pieces were seized, accounting for 79.6% of all cigarettes seized. This substantial number is primarily attributed to significant seizures made by Hong Kong, Ireland, and the Czech Republic. Together, the seizures conducted in these three countries accounted for 36.8% of the total number of cigarettes seized in 2022.

Figure 5: Number of tobacco products seizures and quantity seized by type and conveyance method, 2022

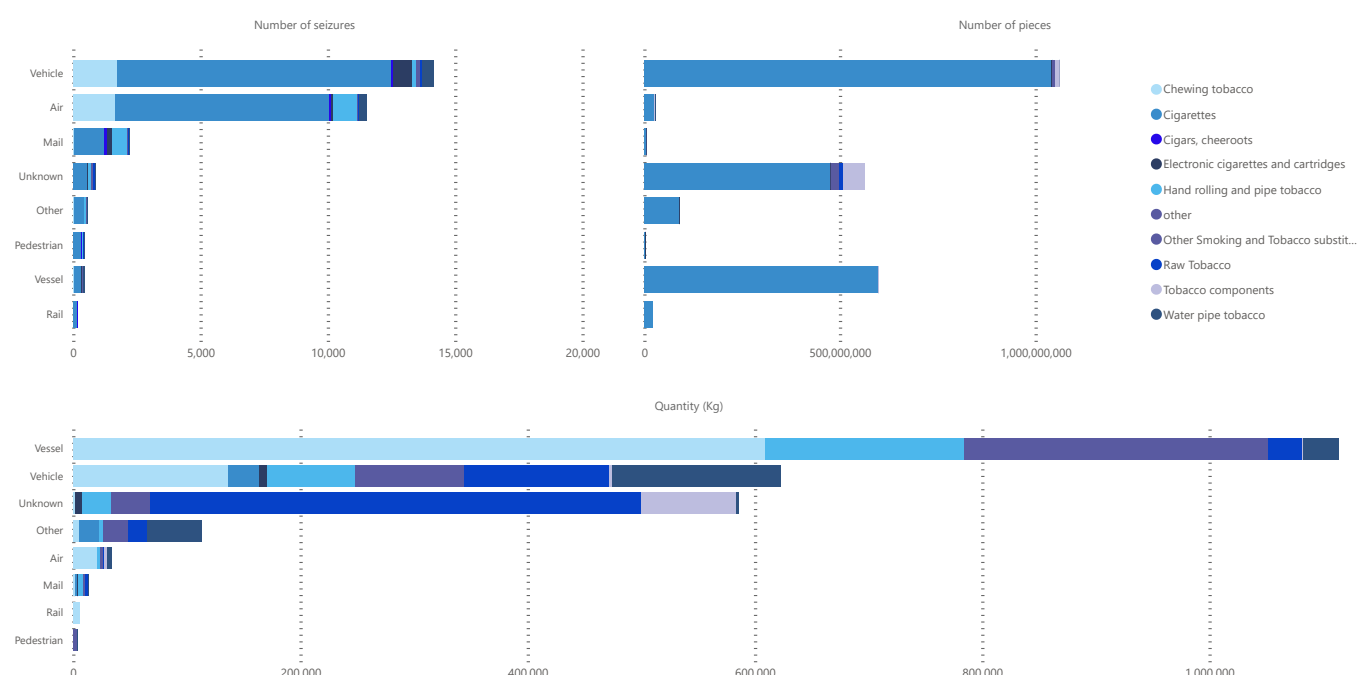


Figure 5 provides a comparison of the number of seizures and the quantity seized (in pieces and kilograms) categorized by the conveyance method for all seizures of tobacco products.

The first finding is that a majority of seizures (46.5%, or 14,157 out of 30,445) were from vehicles.

Among vehicle seizures, the vast majority (76.2%) consisted of cigarettes, followed by 12.2% for chewing and dipping tobacco, and 5.3% for electronic cigarettes and cartridges.

There have been no major changes observed since 2017. In that year, vehicle seizures accounted for 52% of the reported 10,302 tobacco seizures. In 2021, seizures from vehicles accounted for 40.2% of all seizures.

Air seizures accounted for 37.9% of all seizures in 2022 (compared to 28.4% in 2021). When analyzing the type of concealment, it was found that 98.9% of air seizures were related to baggage. Illicit tobacco products were discovered in personal suitcases or, in a few instances, on the person directly.

Mail seizures represented 7.3% of total seizures in 2022 (compared to 19.5% in the previous year). While the number of seizures via mail is relatively low, some WCO Members have highlighted the threat posed by small quantities of illicit tobacco/cigarettes being dispatched via parcels. This risk is also analyzed at the regional

It is important to mention that several countries have noticed an increase in the illegal sale of tobacco products online, including through the darknet and social networks. In response, these countries are developing national strategies to combat online trafficking of tobacco products. These strategies involve granting additional powers to Customs, establishing specialized units, and implementing changes in the penal regime.

level; for example, RILO WE noted an increase in seizures of illicit cigarettes and cigars sent by mail.

In regard to the quantity seized, vessels were the most significant conveyance method, accounting for 44.7% of all quantities seized (in kilograms). However, the conveyance method "vessel" represented only 1.5% of the total number of seizures. The conveyance method "vehicle" accounted for 25% of the quantities (in kilograms) seized. As demonstrated by the case presented above involving Hong Kong Customs, container seizures can result in large quantities of illegal tobacco products being confiscated.

Members responding to the ITR Survey were a majority to mention maritime shipping as the main threat regarding tobacco trafficking (around 21% of answers to the question). Similarly, RILO WE insisted on this mean of transport, stressing that main seaports play a key role in the fight against illegal cigarette smuggling in the region.

The majority of Members who responded to the ITR Survey identified maritime shipping as the main threat in tobacco trafficking (approximately 21% of the answers to the question). Similarly, RILO WE emphasized this mode of transport and highlighted the key role played by main seaports in the fight against illegal cigarette smuggling in the region.

In the type of conveyance "vessel", The quantity of chewing and dipping tobacco seized accounts for 54.6 % of the total quantity seized with that mode of transport. Hand rolling and pipe tobacco represents 15.8%.

Regarding trends in concealment methods, responses from the ITR survey indicated a renewed method of disguising tobacco products in packaging such as fruits, vegetables, toilet papers, and charcoal. This type of concealment method was mentioned in 20% of the survey responses and was the most commonly reported new method encountered over the past year. Yet, it is to be noted that new concealment methods described by administrations vary among Members. For instance, it has been noted that organized crime entities were to use identifying details of legitimate entities in order to retrieve smuggled goods. This argues for an enhanced cooperation between WCO Members and sharing of information.

Within the conveyance method "vessel," chewing and dipping tobacco accounted for 54.6% of the total quantity seized, while hand-rolling and pipe tobacco represented 15.8%.

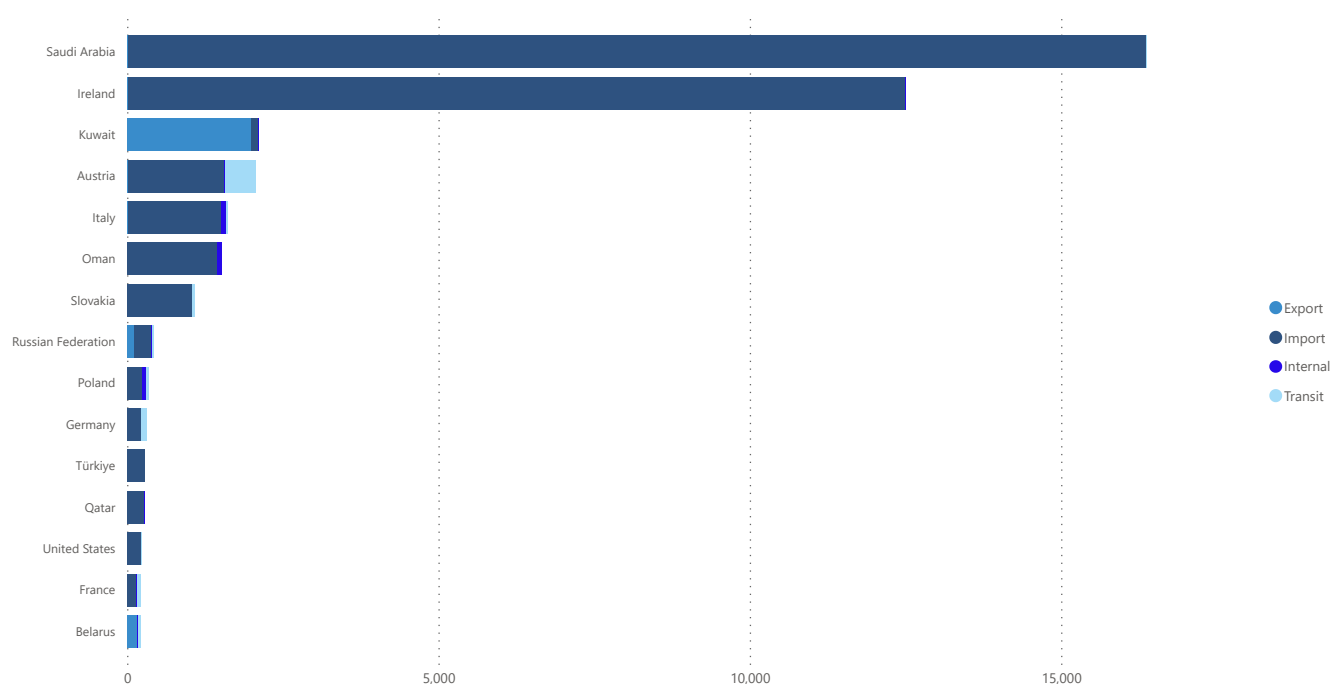
Although the conveyance method "passenger," referring to individuals transporting illicit products, resulted in lower levels of seizures and quantity seized, it remains a shared concern for Customs administrations. For example, RILO CA highlighted the significant threat posed by the illicit introduction of tobacco products hidden in baggage within the region. Within the category "other", 78.9% of the quantity (KG) seized and 48% of the pieces seized is described as "in premises". The number of pieces seized within illegal factory (3.2% of the category "other", or 2,818,371 pieces in 2022) does not reflect the importance of illicit factories as highlighted in

the introduction of this section and reflected in the responses from Members in the ITR survey.

Figure 6 presents the 15 countries that reported the highest number of tobacco products cases in 2022 and indicates the direction of the target shipments when they were intercepted.

Out of the 23,184 cases reported by these 15 countries, 88.2% (20,459) occurred at the stage of import.

Figure 6: Number of tobacco products cases by Customs procedure and country, 2022



Only 145 cases (0.6%) occurred internally within the country, 579 cases (2.49%) occurred during transit, and 2,001 cases (8.6%) occurred at the stage of export.

The two countries with the highest reported cases, Saudi Arabia and Ireland, stated that 99.9% and 99.7% of their cases, respectively, occurred at import. Kuwait reported that 96.3% of its cases occurred at export, while Thailand reported that 85.7% of its cases occurred internally within the country.

Three countries reported more than ten percent of their cases as occurring internally: Poland (17%), Argentina (15.4%), and Oman (9.6%).

Three countries reported more than ten percent of their cases as occurring during transit: Austria (24%), Germany (16.3%), and Argentina (10.6%).

Case study 1

LARGE-SCALE ANTI-ILLCIT CIGARETTE OPERATION IN HONG KONG

Following an anti-illicit cigarette operation, Hong Kong Customs seized 64 million sticks of suspected illicit cigarettes contained in six containers.

In November 2022, Customs officers intercepted three suspicious container trucks, each hauling a 40-foot container, at two container yards in the downtown area for examination. Upon inspection, approximately 31 million sticks of suspected illicit cigarettes were uncovered. A follow-up investigation by the officers led to the seizure of approximately 33 million sticks of illicit cigarettes in three additional 40-foot containers at the container yards. The estimated market value and duty potential were approximately HK\$180 million and HK\$120 million, respectively.



Courtesy of Hong Kong Customs,
November 2022

Three male truck drivers in connection with the case have been arrested, and the six containers have been detained for further investigation. The investigation to uncover further leads will be continued.

Figure 7: Proportion of tobacco products seizures by type and country, 2022

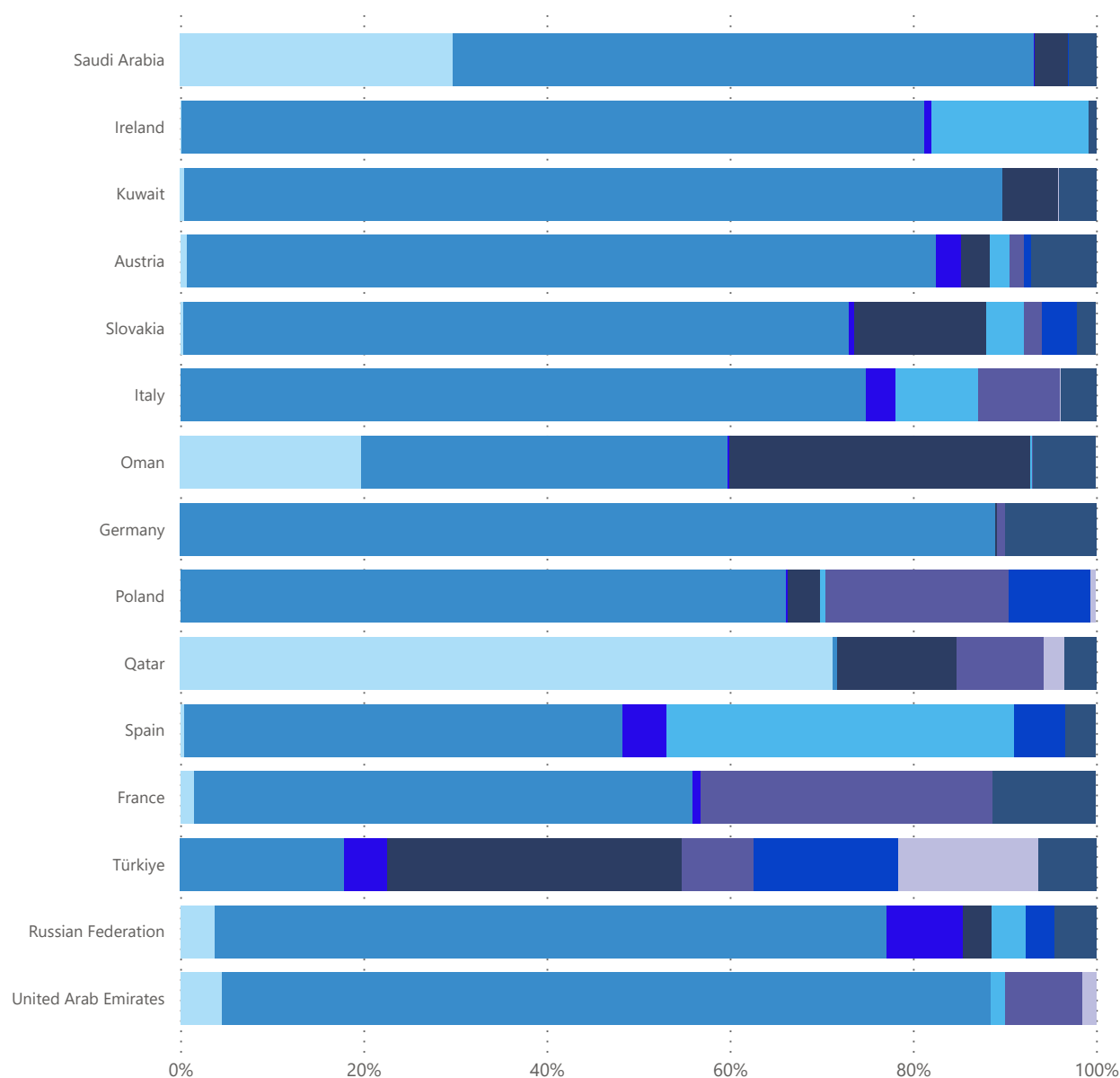


Figure 7 illustrates the distribution of seizures for each category of tobacco products reported by various countries.

Among the 18 countries that reported at least 100 seizures in 2022, only one country reported seizures in fewer than 5 categories shown in the figure (4).

For 11 out of these 18 countries, seizures of cigarettes accounted for at least two-thirds of their total seizures. However, no country reported that 90% or more of their seizures were exclusively in the category of cigarettes.

Out of the 87 countries that reported seizures, 73 countries (83.9%) stated that at least half of their seizures were related to cigarettes.

On the other hand, 23 countries (31.5%) reported that seizures of cigarettes represented less than half of their total seizures.

Ten countries reported that more than 10% of their seizures fell under the category of "electronic cigarettes." These countries include Tunisia, Mauritius, Yemen, Oman, Türkiye, Jordan, Slovakia, Qatar, Serbia, and Israel.

It is important to note that not all countries primarily reported seizures of cigarettes. In the case of Türkiye, 32.1% of the reported seizures were related to electronic cigarettes, while cigarettes represented 17.9% of the total seizures.

Croatia reported that 54.8% of its seizures were associated with other smoking and tobacco substitutes, while cigarettes accounted for 30.6% of the total seizures.

Figure 8: Number of tobacco products seizures and quantity seized by category and region, 2021-2022

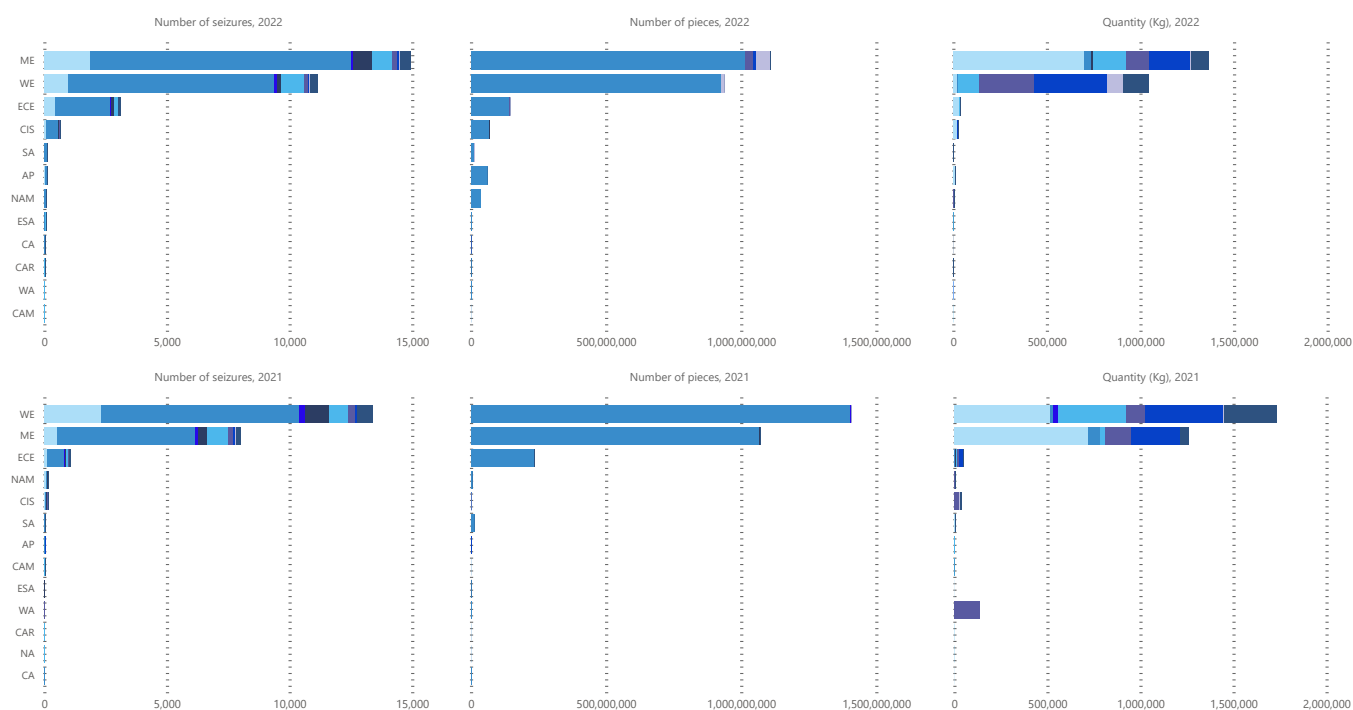


Figure 8 compares the number of seizures and the quantity seized (in pieces and kilograms) of tobacco products by reporting region for the years 2021 and 2022.

In both 2021 and 2022, the Middle East (in 2022) and Western Europe (in 2021) reported the highest number of seizures of tobacco products. In 2022, these two regions accounted for 45.8% (13,936) and 45.7% (13,907) of the seizures, respectively. Thus, a total of 91.5% of the seizures were reported in these two regions.

In 2022, the combined seizures in three regions, namely the Middle East, Western Europe, and Eastern and Central Europe, accounted for 29,814 seizures, representing 97.9% of the total seizures. This trend is consistent with the findings from 2021 and 2019, where these three regions accounted for the majority of reported cases.

Cigarettes accounted for the majority of the seized quantity (in pieces) in all regions in 2022.

In 2021, a similar pattern was observed except in North America, where the number of electronic cigarettes seized (in pieces) exceeded that of cigarettes. Electronic cigarettes represented 81.4% of the pieces seized in North America, while cigarettes accounted for 16.6%. It is worth noting that in 2021, electronic cigarettes represented 20.7% of the total pieces seized.

Figure 9: Tobacco products trafficking flows by region, 2022

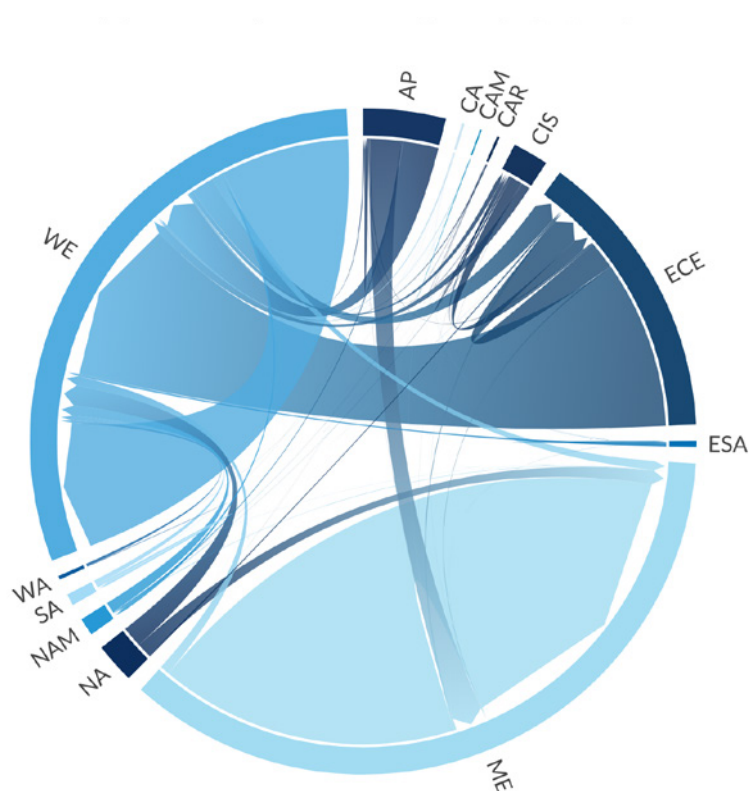


Figure 9 illustrates the intended trafficking flows of tobacco products to, from, and within reporting regions in 2022.

The Middle East and Eastern and Central Europe were the most popular origin regions, with 12,618 flows starting in the Middle East and 8,120 flows starting in Eastern and Central Europe. These flows accounted for 41.5% and 26.7% of all flows, respectively. This trend is consistent with the findings from 2021. Western Europe represented 16.3% of the flows.

The majority of outward flows from the Middle East (12,028 flows, or 95.3% of its flows) were destined for locations within the Middle East. Therefore, only 13.7% of flows starting outside the Middle East ended in the Middle East.

In comparison, flows from Western Europe to Western Europe accounted for 27.2% of the total flows into this region, while 75.9% of flows from Western Europe were destined for Western Europe.

The Middle East and Western Europe were the most popular intended destinations, with 45.8% and 45.6% of flows ending in these regions, respectively.

Western Europe was the most popular destination for flows starting in the Caribbean, Central Africa, Eastern and Central Europe, Eastern and Southern Africa, North America, South America, and West Africa.

Eastern and Central Europe was the most popular destination for flows starting in CIS.

Eastern and Central Europe emerged as the most popular destination for flows starting in CIS.

The Middle East was the most popular destination for flows starting in the Asia Pacific region.

In terms of routings and modus operandi related to tobacco trafficking, the crossing of land borders remains the most significant threat. Members responding to the 2022 ITR survey mentioned instances involving land borders in approximately one-third of their answers (42 answers). This number can be viewed in conjunction with the increasing development of illegal factories, which may supplement the local market and extend their influence to neighboring countries. In fact, RILO ECE highlighted the significant threat posed by the phenomenon of illegal tobacco products in the region, often concealed on individuals or in transport, leading to large-volume seizures when hidden in lorries or cars.

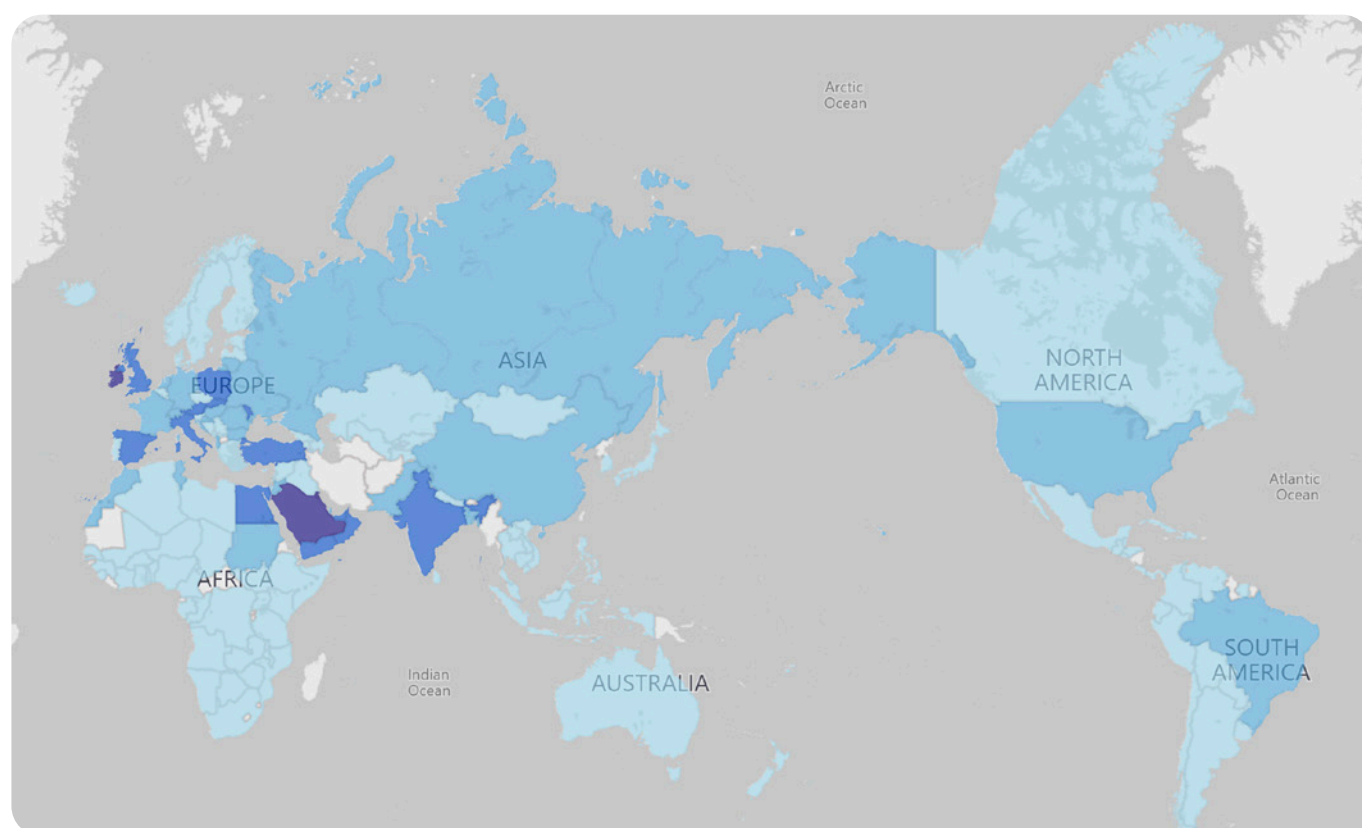
Shipping continues to be an important mode of transport for tobacco trafficking, as indicated by 21% of the survey responses.

In 2022, it is important to highlight that over 1 billion pieces of cigarettes (1,015,307,947) were reported with an unknown country of departure. Among the top five countries with the largest numbers of cigarettes reported with an unknown origin, four of them are European countries (Hong Kong China, Czech Republic, Poland, Germany, Spain).

Also, the recent years have highlighted the consequences crisis have on illicit flows. This has been already noted in the COVID-19 pandemic. Answers given in the 2022 ITR survey stress the consequences of the armed conflict in Ukraine in regard to the trafficking of tobacco products. This relates to a decrease of traffic following the limitation of trade relations between the EU and Belarus and the Russian Federation

as well as to a change in the routes of cigarette smuggling to the EU originating in Belarus. The latter being now smuggled across the Polish-Belarusian border and through Lithuania instead of transiting via Ukraine. This also relates to a change in the modus operandi and the conveyance type used by smugglers.

Figure 10: Heat map of tobacco products trafficking instances by country, 2022



- Fewer than 100 instances
- 100-500 instances
- 500-5,000 instances
- More than 5,000 instances

Figure 10 is a heat map of trafficking instances in 2022, colored by frequency. The coloring represents the number of times a country was either the origin or destination point for one or more seized shipments of tobacco products, regardless of where the seizure took place or which country reported it. The colors range from dark to light blue, indicating more than 5000 instances, between 500 and 5000 instances, between 100 and 500 instances, and fewer than 100 instances.

The figure includes all countries where tobacco products were known or intended to have been trafficked in 2022.

Six countries had more than 2,000 instances: Saudi Arabia (12,701), Ireland (9,630), Kuwait (7,317), United Arab Emirates (3,682), Türkiye (2,710), and Moldova (2,277). In total, 47 countries had more than 100 instances.

Among the top 15 countries involved in the highest number of trafficking instances in 2022, 11 of them were also among the top 15 countries that reported cases. This indicates that a high number of trafficking instances often, but not always, corresponds to a high number of reported cases.

Conversely, there were 72 countries that had trafficking instances (either as an origin or destination) but did not report any cases in 2022.

Out of the 160 countries for which trafficking instances were reported, 19 had more than 500 instances, 28 had between 100 and 500 instances, 55 had between 10 and 50 instances, and 58 had fewer than 10 instances.

Of the 19 countries that were the origin or destination for more than 500 seized shipments, 6 are in Western Europe, 6 are in the Middle East, and 4 are in Eastern and Central Europe.

It is possible to continue the analysis of Figure 10 by examining the illicit flows of tobacco products from origin to destination for all routes that appeared in one or more trafficking instances:

- This analysis reveals that the most common route was from Kuwait to Saudi Arabia, which accounted for 23.6% of all flows.
- Saudi Arabia has the highest number of incoming flows, with 12,566 flows.
- In the case of Ireland, the two most common routes originate from Kuwait and the United Arab Emirates.
- Ireland ranks as the second country with the most incoming flows, reporting 9,600 flows, while Austria ranks third with 1,710 flows.
- Kuwait, the UAE, Türkiye, Moldova, and Spain are the five countries with the highest number of outgoing flows.

It is important to note that these findings do not represent the flows of international trade. Overall, this analysis provides insights into the illicit flows of tobacco products, specifically focusing on the routes between origin and destination. The highlighted routes and countries involved in these flows shed light on the patterns of tobacco product trafficking.

Case study 2

SUCCESSFUL COOPERATION IN PROJECT CROCODILE

Examination by Portuguese Customs of suspicious container referred by the Thai Customs led to the seizure of 12 million of illicit cigarettes.

Project Crocodile aims to track down suspicious cigarette shipments through a mechanism of export and arrival notifications between departing and destination countries. Since 2004, RILO AP has been acting as the coordinator and regional intelligence hub for combating illicit cross-border trade of tobacco and tobacco products. It is an ongoing project that involves the exchange of export, arrival, and seizure notifications through a standard notification pro forma. Twenty-four Customs administrations from RILO AP have participated in Project Crocodile.

Courtesy of Portuguese Customs



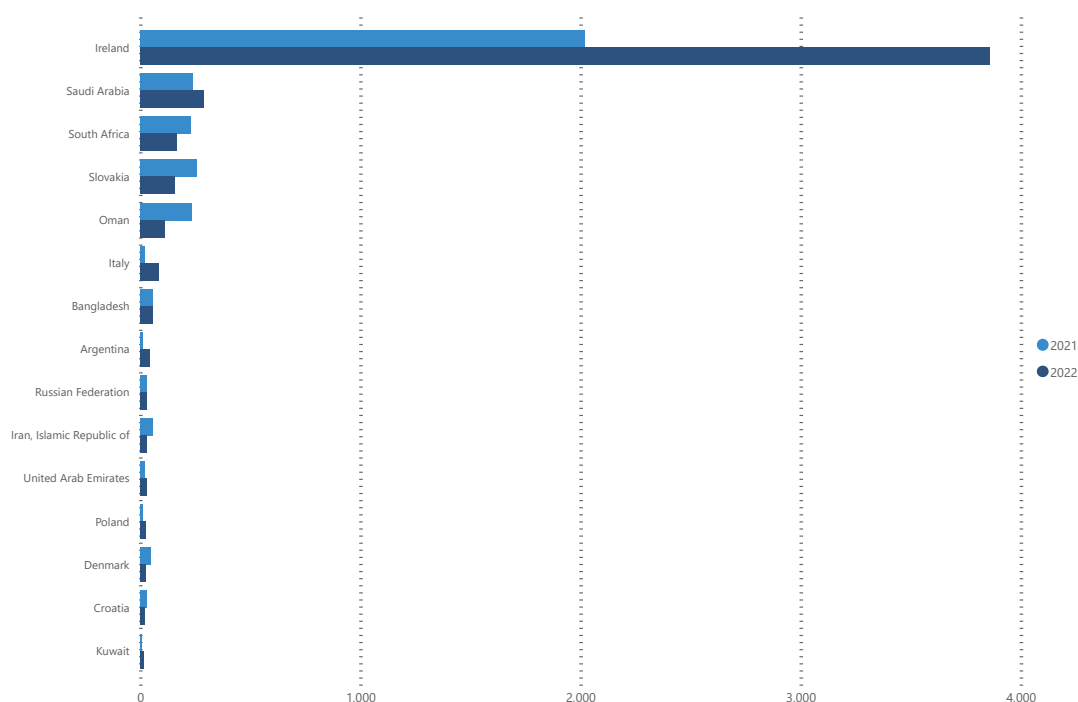
In 2022, RILO AP handled 60 export notifications and 5 arrival notifications for suspicious cigarette shipments. When the shipments were intended for non-project participants in the region, RILO AP coordinated with the relevant Customs administration to disseminate information and/or monitor the movement of the shipment. Additionally, when the shipments were intended for non-AP ports, RILO AP liaised with the relevant RILO offices or international enforcement organizations to further disseminate information and monitor the movement of the shipment. Through this project, Member administrations timely exchanged information and monitored suspicious cigarette shipments, contributing to the successful suppression of tobacco smuggling within and across the AP region.

In 2022, Members reported the seizure of 12.4 million sticks of cigarettes. This fruitful result demonstrated the successful exchange of intelligence, cohesive cooperation, and the effective functioning of the project mechanism, signifying a significant achievement in suppressing the smuggling of illicit tobacco.

In May 2022, Portuguese Customs intercepted a container that had departed from Thailand based on intelligence exchanged with Thai Customs. Consequently, a total of 12 million sticks of "Manchester" brand (Queen and Red variants) cigarettes were seized. The containers had been falsely declared as containing "Carpets and other textile floors."

2. Overall trends in Trafficking of Alcohol Products

Figure 11: Number of alcohol products cases by country, 2022



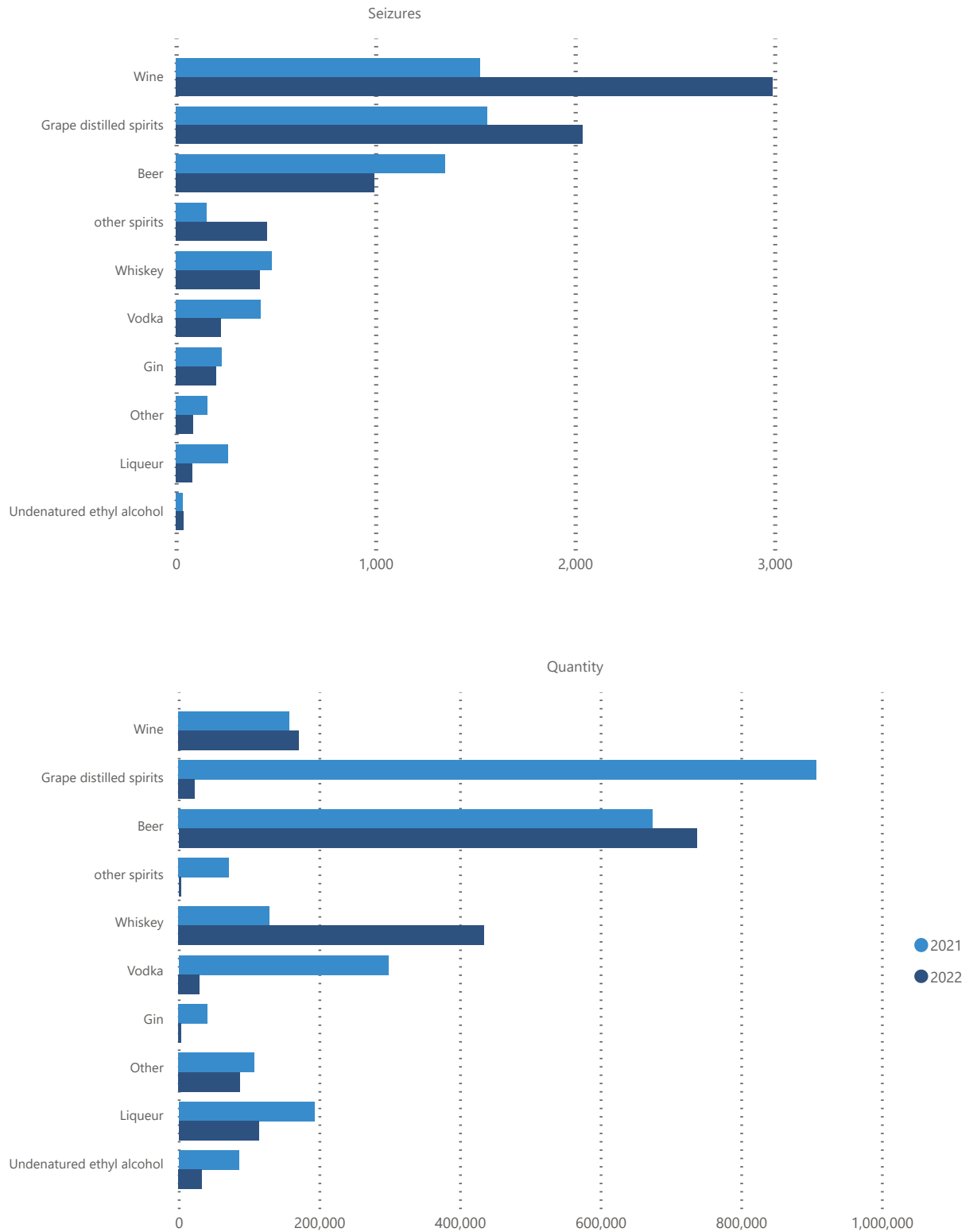
In 2022, forty-six countries reported a total of 5,076 cases of alcohol products. This represents a 30.2% increase compared to 2021, when 47 countries reported 3,898 cases.

Figure 11 shows the number of cases reported by the top 15 countries in 2021 and their comparison to the cases reported in 2020. Among these countries, Ireland reported the highest number of cases in both 2021 and 2022. The number of cases reported by Ireland increased by 91.1% from 2021 to 2022, rising from 2,018 cases to 3,857 cases.

The top 15 reporting countries collectively accounted for 97.3% of all cases in 2022. In 2021, these same countries reported 83.6% of the total cases.

While Argentina reported 10 cases in 2021, the number increased to 42 cases in 2022. However, Costa Rica, which ranked third in terms of the number of cases with 250 reported in 2021, did not report any cases in 2022. The same can be observed for Uzbekistan (123 cases in 2021) and Belgium (90 cases in 2021), both among the top 15 reporting countries in 2021.

Figure 12: Number of alcohol products seizures and quantity seized by category, 2021-2022



According to Customs officials, there were 7,532 seizures of alcohol products in 2022, involving a total volume of 1,637,046.2 liters. This represents a notable increase in the number of seizures (+22.2%), but a decrease in the volume seized compared to 2021 (-38.6%). Figure 12 provides a comparison of the number of seizures and volume seized for different sub-categories of alcohol products in 2021 and 2022.

The rise in the number of seizures from 2021 to 2022 can be attributed to two categories: grape distilled products (+30.6%) and wine (+96.4%). Only three categories (whiskey, wine, beer) witnessed an increase in the volume seized, while the total volume of alcohol seized decreased due to lower quantities reported in other sub-categories. Notably, the volume of grape distilled spirits seized experienced a significant decline (-97.5%).

In terms of the sub-category with the highest number of seizures in both 2021 and 2022, wine accounted for 39.7% of all alcohol product seizures in 2022, followed by grape distilled spirits at 27%. In relation to the volume seized, wine accounted for 9.9% of the total volume, while grape distilled spirits accounted for 1.3%.

It is worth highlighting that although beer seizures constituted only 13.2% of all seizures, they accounted for 45% of the total volume seized. Seizures of beers may represent important volumes.

Similarly, while whiskey seizures represented 5.6% of alcohol product seizures, they comprised 26.6% of the total volume seized in 2022.

Between 2021 and 2022, there was a significant decrease in the volume seized of other spirits (-95.3%), gin (-91.6%), grape distilled spirits (-97.5%), vodka (-90.1%), undenatured ethyl alcohol (-61.2%), and liqueur (-41.1%).

Regarding the category of "other spirits," although the decrease may be temporary, it should not overshadow the fact that they pose a significant risk to the population. Homemade spirits, for example, can be detrimental to health due to their high methanol content or other poisonous alcohols. Additionally, they may be consumed by minors.

This threat has been emphasized by RILO WE in the ITR survey. However, it is not limited to a specific territory or region. For instance, in December 2022, Colombian public authorities reported cases of poisoning resulting in death due to the presence of methanol in fraudulent alcoholic beverages. Similarly, in 2022, several cases of poisoning from illegally produced alcohol were reported in India.

Methods for concealing illegally imported products evolve continuously and require Customs to monitor these changes (see the following case study).

Case study 3

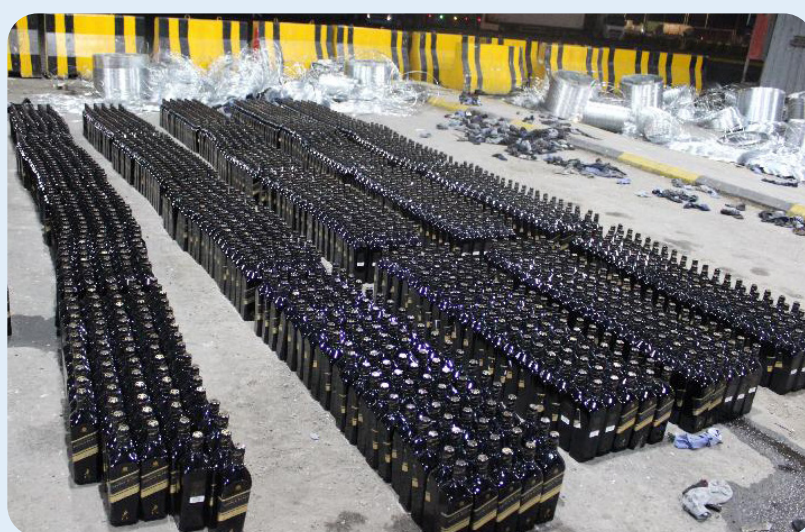
USE OF X-RAY VEHICLE INSPECTION IN SAUDI ARABIA

Saudi Arabia reported the seizure of 2727 litres of beverages classified under heading 2205 (vermouth and other wine of fresh grapes flavoured with plants or aromatic substances) during a routine control. The products were conveyed by a truck and were hidden within coils of steel wire. The seizure was performed at the land border with United Arab Emirates.

Illicit products were discovered via an X-ray machine. Such method of detection allows a non-intrusive inspection of vehicles and Saudi Arabia has been keen on developing such technology over the last years.

This case illustrates the benefit for Members of sharing detail of seizures as well as pictures in the CEN database.

Courtesy of Saudi Arabia Customs (CEN database), February 2022



Courtesy of Saudi Arabia Customs (CEN database), February 2022



Figure 13: Number of alcohol products seizures and quantity seized by type and conveyance method, 2022

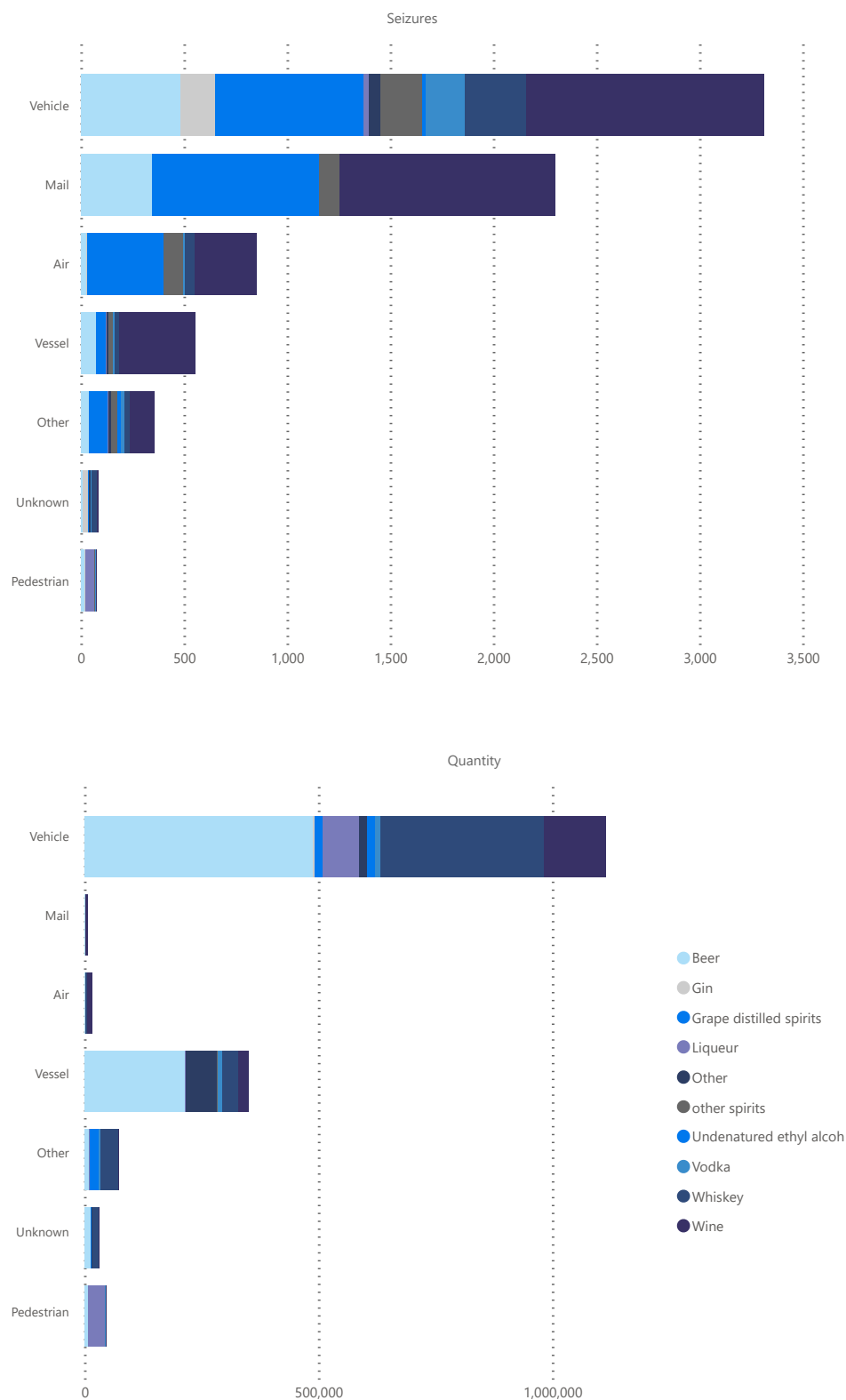


Figure 13 provides a comparison of the number of seizures and the quantity seized (in liters) by conveyance method for all seizures of alcohol products in 2022.

The majority of seizures (44% or 3,312 out of 7,532 seizures) occurred in vehicles, including contraband hidden in compartments of cars, trucks, and vans. Among these vehicle seizures, 34.8% were wine, 21.6% were grape distilled spirits, 14.6% were beer, and 9% were whiskey.

The significance of vehicles as a conveyance method is reflected in the responses from participating Members in the ITR survey. Approximately 35% of the responses identified land borders as the primary threat, followed by maritime shipping and goods carried by individuals/passengers.

An important trend to note is the increasing number of mail seizures. As mentioned in the previous Illicit Trade Report, the number of mail seizures has become significant, accounting for 30.5% of seizures in 2022, which is similar to the figure reported in 2021. This is a significant increase compared to the limited number of mail seizures in 2019 and previous years.

In 2022, air transport accounted for 11.3% of seizures (compared to 8.8% in 2020). Vessel seizures showed a substantial increase, rising from 29 seizures in 2021 to 553 seizures in 2022. Air seizures also increased by 24.7%, and mail seizures increased by 38.5%. The number of seizures involving vehicles remained stable.

When considering the quantity seized, vehicle seizures accounted for the highest proportion, representing 68% of all seizures (11,112,868 liters). Despite the relatively low number of seizures and the relatively low quantity seized, individuals transporting certain commodities, including air passengers' baggage, remain a significant threat. Based on responses in the ITR survey, this is the third major threat concerning alcohol trafficking, following smuggling through land borders and maritime shipping. Some countries mentioned in the survey that such trafficking may occur opportunistically, during specific periods and involving small quantities, while volumes may be higher during peak seasons or to evade excise duties and other applicable charges such as VAT/GST.

Regarding the quantity seized, while the last Illicit Trade Report identified the "unknown" category as the second largest (31.3%) due to a lack of information, further data cleaning efforts have reduced this category by incorporating additional reported data. However, this still poses a risk of poor information quality for analysis, and it is recommended that this issue be addressed.

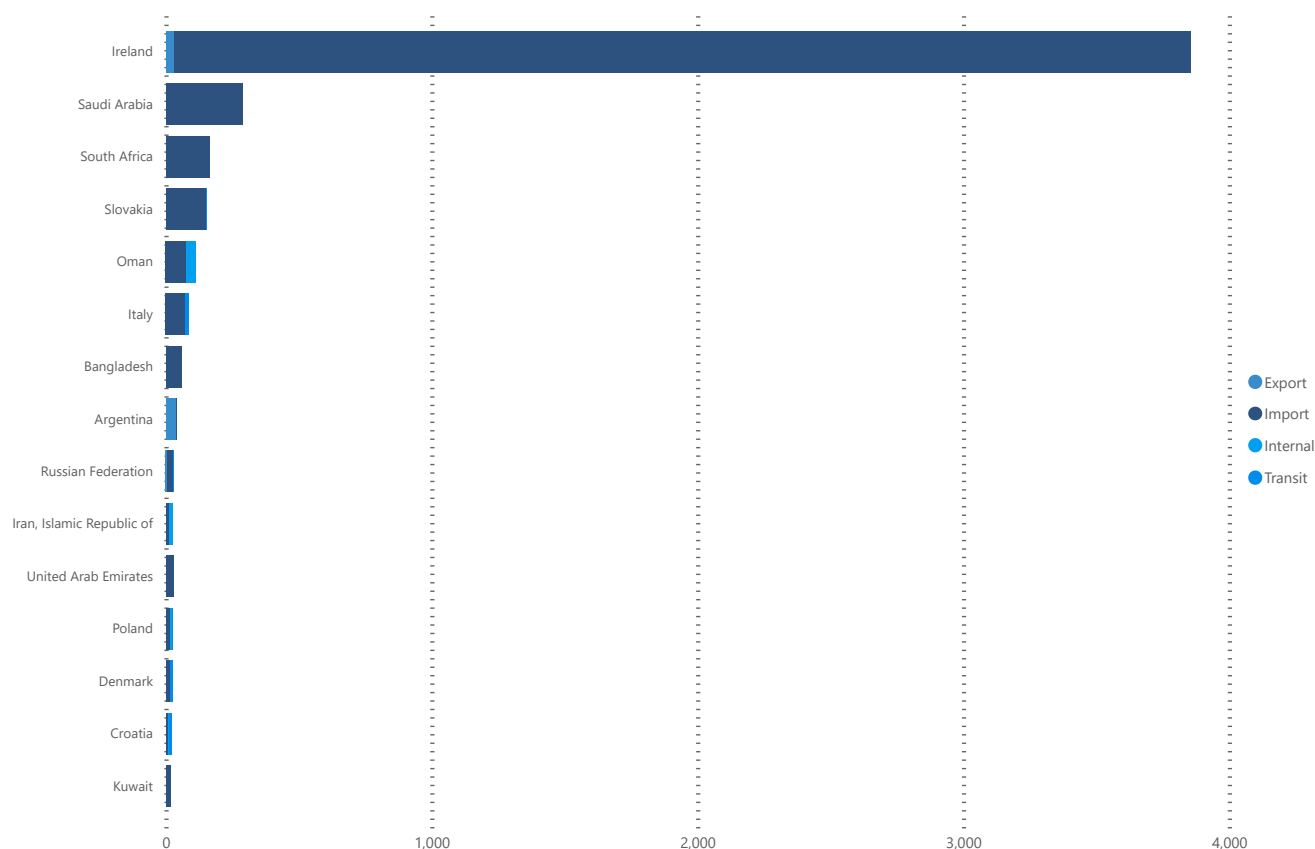
Figure 14: Number of alcohol products cases by Customs procedure and country, 2022

Figure 14 illustrates the 15 countries that reported the highest number of alcohol products cases in 2022, along with the direction of target shipments when they were intercepted. The data is categorized based on the Customs procedure (import, transit, internal, or export).

Out of the 4,939 cases reported by these 15 countries, the majority (96.4% or 4,760 cases) occurred at the import stage. Only a small number of cases were reported in other Customs procedures: 36 cases (0.7%) in transit, 63 cases (1.3%) internally, and 80 cases (1.6%) at export.

The two countries with the highest number of reported cases, Ireland and Saudi Arabia, reported that almost all of their cases occurred at import, with 99.1% and 100% of cases, respectively. However, as the following case study details, changes in the trade environment may be followed by emerging trade.

Among the top 15 reporting countries, three countries reported less than 50% of their cases as occurring at import. Argentina reported 7.1% of its cases as import-related, Iran reported 42.9% as import-related, and Croatia reported 27.3% as import-related.

In terms of cases occurring at export, two countries reported a majority of their cases in this category. Argentina reported 92.9% (39 cases) of its cases as occurring at export, and Yemen reported 100% (1 case) as export-related.

Three countries reported a majority of their cases as occurring in transit. Croatia reported 50% of its cases as transit-related, Belarus reported 66.7% (10 cases), and Serbia reported 100% (3 cases).

Four countries reported a majority of their cases as occurring internally. Myanmar reported 91.7% (11 cases), Hungary reported 55.6% (5 cases), Jordan reported 66.7% (2 cases), and Romania reported 100% (1 case). These four countries represented a third of the reported cases in Oman and Poland.



Case study 4

EXCISE FRAUD AND TRANSIT COUNTRY

In September 2022, two consignments of alcohol suspected of being intended for the illicit alcohol market in the UK and originating in a warehouse located in Germany - 13,002 litres of wine and 25,920 litres of beer - were seized in Rosslare Europort, Ireland.

Neither consignment were travelling under duty suspension or were duty paid and the Irish consignee recorded on the paperwork stated that it did not order or pay VAT or excise duties for either consignment.

This was the first time these type of consignments were detected in Ireland. Since summer 2022, there has been a noticeable increase in alcohol consignments travelling directly from the Continent to Ireland and Ireland being used as a transit route to get goods into the United Kingdom.



Courtesy of Ireland Customs, September 2022

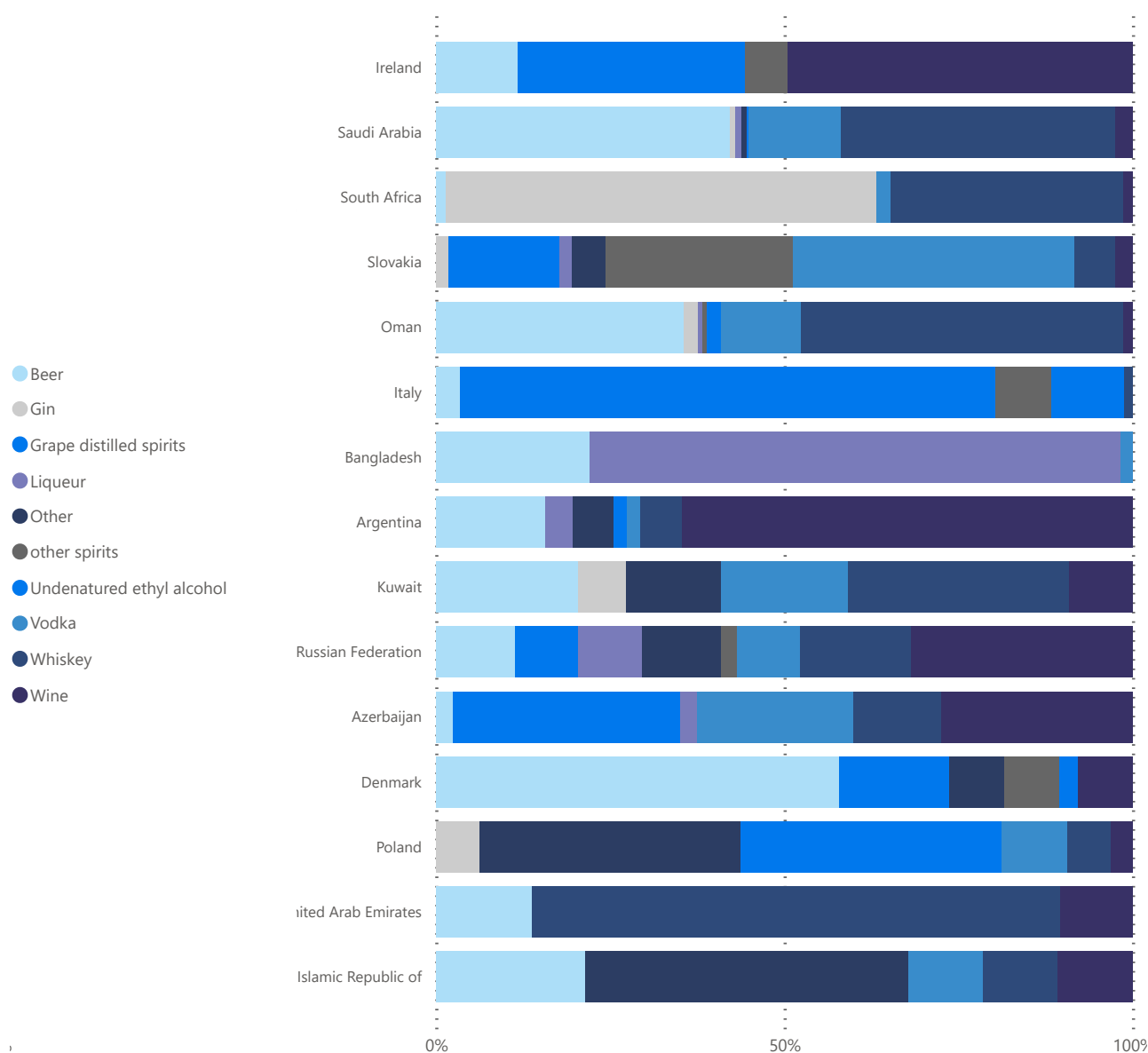
Figure 15: Proportion of alcohol products seizures by type and country, 2022

Figure 15 provides information on the proportion of seizures for each category of alcohol products reported by different countries in 2022 (not exhaustive). Among the 43 countries that reported seizures of alcohol products, 21 countries reported at least ten seizures and are included in this analysis.

These 21 countries exhibited significant variations in the types of alcohol products they seized most frequently. The following observations were made:

- **Wine seizures:** Four countries reported more wine seizures than seizures of any other category.
- **Whiskey seizures:** Four countries reported more whiskey seizures than any other category.

- Beer seizures: Two countries reported more beer seizures than any other category.
- Grape distilled spirits seizures: Two countries reported more grape distilled spirits seizures than any other category.
- Vodka seizures: One country reported more vodka seizures than any other category.
- Liqueur seizures: One country reported more liqueur seizures than any other category.
- Undenatured ethyl alcohol seizures: One country reported more undenatured ethyl alcohol seizures than any other category.

Within this group of countries that reported more than 10 seizures, specific categories represented more than 50% of all seizures in certain instances:

- Beer: Denmark reported that beer seizures accounted for 57.9% of all seizures.
- Gin: South Africa reported that gin seizures accounted for 61.9% of all seizures.
- Grape distilled spirits: Italy reported that grape distilled spirits seizures accounted for 76.7% of all seizures, while Croatia reported 63.6%.
- Liqueur: Bangladesh reported that liqueur seizures accounted for 76.2% of all seizures.
- Undenatured ethyl alcohol: Sweden reported that undenatured ethyl alcohol seizures accounted for 72.7% of all seizures.
- Whiskey: The United Arab Emirates reported that whiskey seizures accounted for 75.9% of all seizures.
- Wine: Argentina reported that wine seizures accounted for 64.7% of all seizures, while Côte d'Ivoire reported 57.1%.

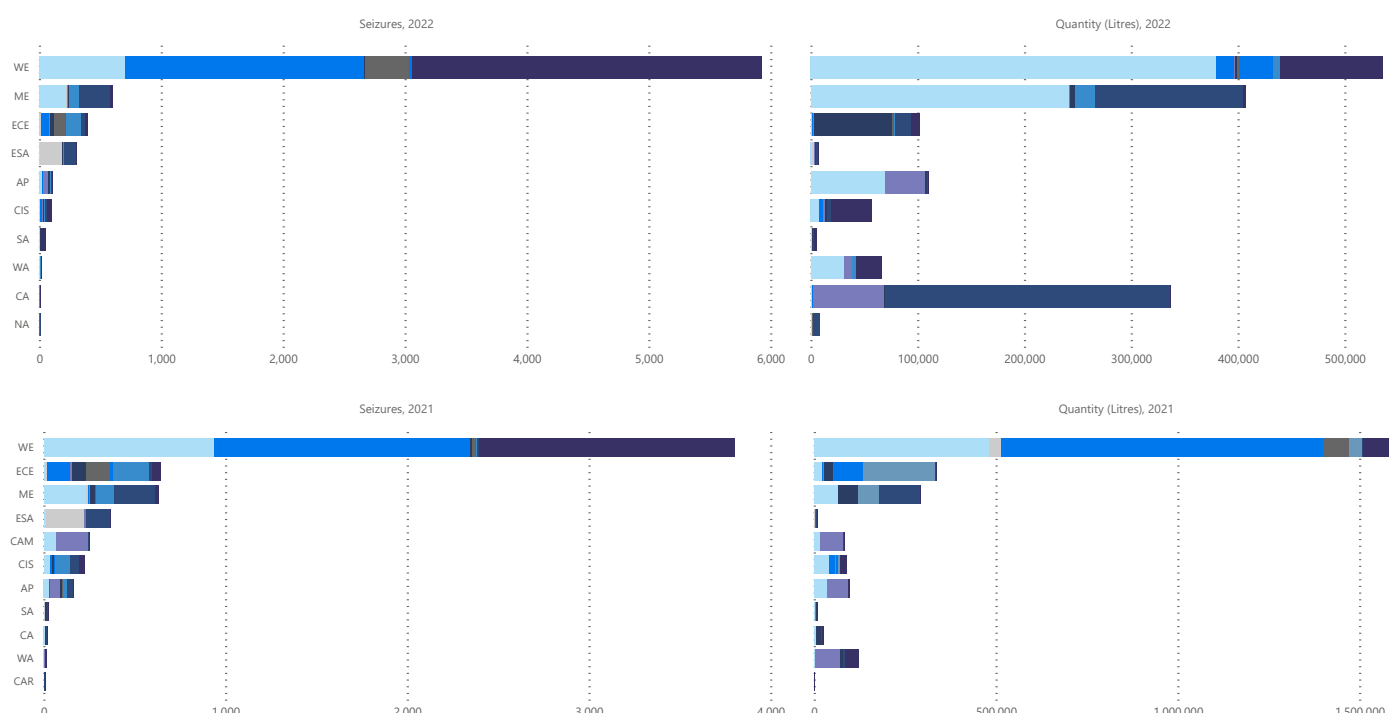
Among the countries that reported more than 10 seizures, the following observations were made:

- Wine was the most seized category in four countries: Ireland, Argentina, Côte d'Ivoire, and the Russian Federation.
- Whiskey was the most seized category in four countries: Oman, Kuwait, the United Arab Emirates, and North Macedonia.
- Beer was the most seized category in two countries: Saudi Arabia and Denmark.
- Grape distilled spirits were the most seized category in two countries: Italy and Croatia.
- Vodka was the most seized category in one country: Slovakia.

- Liqueur was the most seized category in one country: Bangladesh.
- Undenatured ethyl alcohol was the most seized category in one country: Sweden.

Out of the 21 countries that reported at least ten seizures, 15 countries reported seizures in at least five of the categories depicted in [Figure 16](#).

Figure 16: Number of alcohol products seizures and quantity seized by category and region, 2021-2022



[Figure 16](#) presents a comparison of the number of seizures of alcohol products and the quantity seized in liters by reporting region for the years 2021 and 2022.

Seizures of alcohol products increased by 22.2% from 2021 to 2022 across all regions, with a total of 7,532 seizures in 2022. This increase can be attributed to a significant number of reported seizures in Western Europe, which experienced a 56% increase (5,929 seizures in 2022).

In 2022, Western Europe, the Middle East, and Eastern and Central Europe were the three regions that reported the highest number of seizures. Western Europe accounted for 78.7% of reported seizures in 2022, while the Middle East represented 8% of reported seizures. Eastern and Central Europe accounted for 5.3% of reported seizures in 2022, and Eastern and Southern Africa reported 4%. In 2021, Western Europe, Eastern and Central Europe, and the Middle East reported the highest number of seizures.

It is important to highlight that the seizures reported by Ireland in 2022 accounted for 76.9% of all reported seizures and 97.6% of seizures reported in Western Europe. The main conclusions are influenced by the significant number of seizures reported by Ireland relative to other countries.

Regarding the quantities seized, Western Europe accounted for 32.7% of the total liters seized in 2022. These numbers indicate a change in the relative share of Western Europe in terms of quantities seized compared to previous years (2021, 2020, 2019), but they are consistent with the figures from 2018 when Western Europe reported 21% of the seized liters.

In 2022, the Middle East reported 24.9% of the quantities seized (compared to 12.7% in 2021), Central Africa reported 20.6% of the quantities seized (up from 0.9% in 2021), and Asia Pacific reported 6.7% of the quantities seized (up from 3.6% in 2021). The increase in seized quantities in Central Africa can be attributed to significant seizures of whiskey, while the higher reported share in Asia Pacific can be explained by a greater number of seizures within the "beer" category (+506%).

Figure 17: Alcohol products trafficking flows by region, 2022

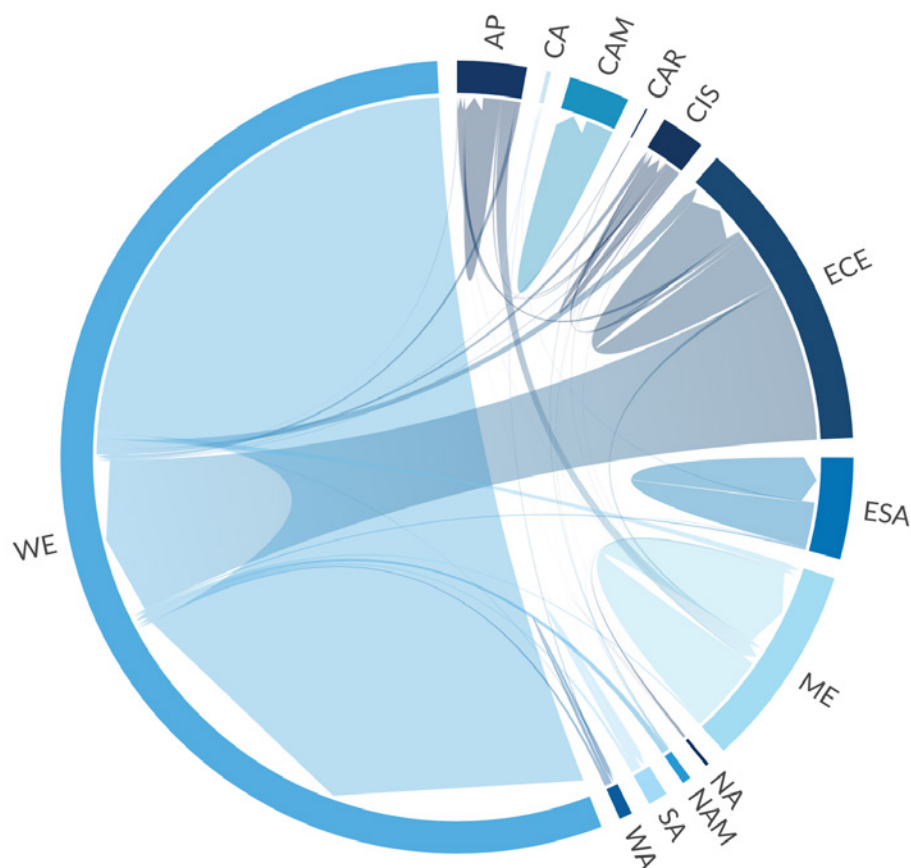


Figure 17 illustrates the intended trafficking flows of alcohol products to, from, and within reporting regions in 2021. Within-region flows accounted for 75.2% of all flows, meaning that in 75.2% of cases, the departure and destination regions were the same.

Western Europe and Eastern and Central Europe were the most common origin regions, with 61.4% and 21.4% of all flows originating from these regions, respectively.

Among the flows originating in Western Europe, 96.8% were destined for locations within Western Europe. These internal flows represented 75.3% of all flows directed to Western Europe. It is worth noting that some of these flows may be attributed to domestic distillation, as well as the illegal use of alcohol originally produced for medical, cleaning, or disinfecting purposes that is later diverted to the black market. RILO WE has observed an increasing trend in such production methods.

Intra-regional flows represented the majority of reported seizures in Central Africa (100%), Commonwealth of Independent States (CIS) countries (69.5%), South America (68.9%), Asia-Pacific (46.9%), Eastern and Southern Africa (93.2%), Middle East (98.6%), and Western Europe (96.8%).

Regarding flows originating from Eastern and Central Europe, the majority (80.3%) were headed to Western Europe, while 17.4% remained within Eastern and Central Europe.

Western Europe was reported as the most common intended destination, accounting for 78.9% (5,939 flows) of all flows.

The significance of flows within regions is notable in the following cases:

In conclusion, it is important to recall the need for enhanced cooperation, between countries and between agencies. Between December 2021 and May 2022, an important operation was coordinated by Europol and supported by the European Anti-Fraud Office OLAF targeted food fraud. Operation OPSON XI led to the seizures of 26 800 tonnes of illicit products, 15 million litres of alcoholic beverages, 74 000 checks, 80 arrest warrants, 137 individuals reported to judicial authorities, 175+ criminal cases opened, 2 078 administrative cases opened, 8 criminal networks disrupted¹.

¹ Europol, "Food fraud: about 27 000 tonnes off the shelves", Press release, 17 November 2022.

- 100% of flows originating in Central Africa ended within Central Africa.
- 98.6% of flows originating in the Middle East ended within the Middle East.
- 93.2% of flows originating in Eastern and Southern Africa ended within Eastern and Southern Africa.
- 69.5% of flows originating in CIS countries ended within CIS countries.
- 68.9% of flows originating in South America ended within South America.

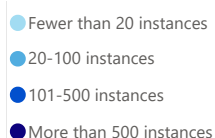
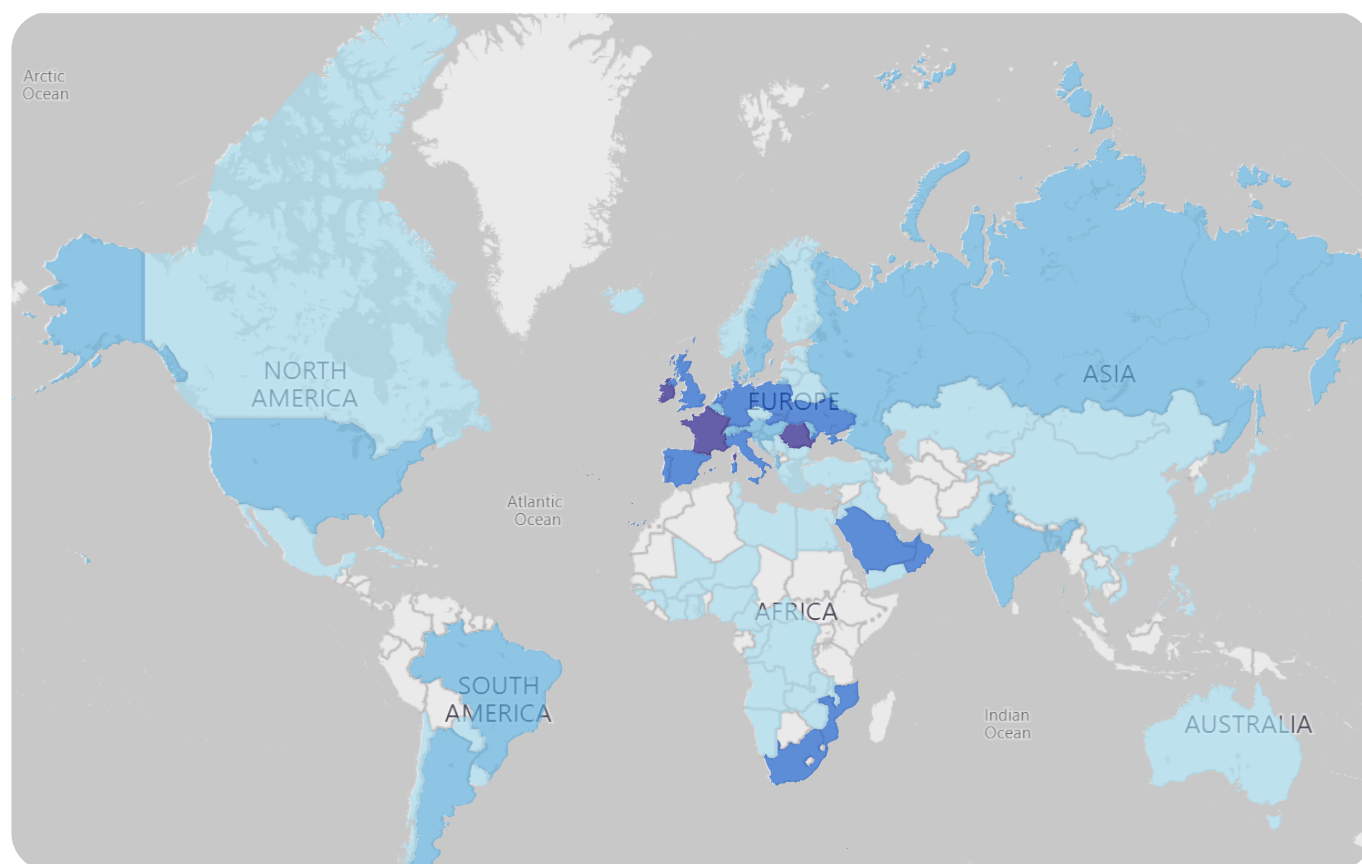
Figure 18: Heat map of alcohol products trafficking instances by country, 2022

Figure 18 represents a heat map of trafficking instances of alcohol products in 2021, colored according to frequency. The colors indicate the number of times a country served as either the origin or destination point for one or more seized shipments of alcohol products, regardless of where the seizure occurred or which country reported it.

Among the top 15 countries involved in the highest number of trafficking instances, six countries were also among the top 15 countries reporting cases. This suggests that only a portion of the number of trafficking instances can be attributed to higher levels of reporting.

Ireland, which reported the most seizures, was also the destination point for the highest number of seized shipments. Ireland was the destination in 5,789 instances, accounting for 38.4% of the total instances. A total of 111 countries were reported as either the origin or destination of trafficking instances for alcohol products. Six countries had more than 500 instances, 25 countries had between 51 and 500 instances, 45 countries had between five and 50 instances, and 35 countries had less than five instances.

While 11 countries were involved in trafficking instances reported in 2021, only 46 countries reported any cases of trafficking of alcohol products themselves. This was the case for the Netherlands, mentioned as the departure country in all 295 instances. It was also the case for Chile, China, and the USA, mentioned as departure countries in 10, 37, and 58 instances, respectively.

The geographical analysis of flows reveals the significance of trafficking between neighboring countries. For example:

- Seizures reporting Ukraine as the departure country were made in Slovakia and Poland.
- The majority of seizures reporting the United Kingdom as the departure country were realized in Ireland (97.2%).
- The majority of seizures reporting the Russian Federation as the departure country were realized in Azerbaijan (59.3%).
- Due to the high volume of instances reported by Ireland, 58 different countries were reported as departure countries. The most significant ones were France (23.6%), Romania (11.7%), Portugal (9.8%), the United Kingdom (8.9%), and Italy (8%).

Proximity and external trade play a role in flows as well. In 2021:

- 79.2% of flows from Argentina were destined for Brazil.
- 94.8% of flows from the United Arab Emirates were destined for Oman and Saudi Arabia.
- 100% of flows from Mozambique were destined for South Africa.

The responses to the ITR survey indicate that new routes and concealment methods have been encountered by administrations over the past year. Among the answers mentioning new developments, 28.6% referred to new routes.



Security

The following chapter presents an analysis of Customs' pivotal role in enhancing security measures and addressing the growing challenges of terrorism, weapons proliferation, and illicit trafficking of arms and materials which can be used to manufacture weapons of mass destruction. These threats pose a significant danger not only to the safety and well-being of individuals but also to the economic progress, political stability, and social harmony of nations worldwide.

At international border crossings, Customs plays a critical role in managing the flow of goods, people, and transportation methods to ensure adherence to legal requirements.

In recent years, acts of terrorism have persistently undermined countries' ability to create a secure environment necessary for sustained long-term economic development. Tragic incidents in 2022, ranging from suicide attacks to car bombings and shooting sprees, highlight the diverse and evolving nature of these attacks. To combat such threats, Customs administrations have emerged as indispensable players in comprehensive governmental initiatives to counter such attacks.

At international border crossings, Customs plays a critical role in managing the flow of goods, people, and transportation methods to ensure adherence to legal requirements. In response to the heightened threat levels resulting from increased terrorism activities, an escalating number of Customs administrations have embraced security as an integral aspect of their core mandate. The United Nations Security Council has reaffirmed the importance of Customs' involvement in border security through various resolutions including UN Security Council Resolution 1540.

Recognizing the urgency to address global terrorist activities, the WCO Policy Commission issued the Punta Cana Resolution in December 2015. This resolution, which emphasizes and reevaluates the role and contributions of Customs in the context of border security and counter-terrorism, served as a crucial catalyst for change. In response, the WCO launched the WCO Security Programme, which was specifically aimed at bolstering the capabilities of Customs administrations to effectively address specific security-related risks.

Within this chapter, we will delve into the pivotal role of Customs in promoting security and explore the trends in Customs seizures related to weapons. By examining these trends, we can gain valuable insights into the evolving landscape of illicit arms trafficking and devise effective strategies to counter this threat, safeguard our societies, and promote global stability.

To effectively aid Customs administrations in countering the diverse range of threats, the WCO Security Programme has strategically organized its activities around key security-related topics. These initiatives aim to enhance global security measures and mitigate risks associated with terrorism. The following topics highlight the current focus areas of the WCO Security Programme:

- 1. Strengthening Passenger Control Capabilities:** The WCO Security Programme collaborates with the UN CT Travel Programme to enhance WCO Members' capabilities in controlling the movement of foreign terrorist fighters. This involves utilizing API/PNR targeting systems, enabling more effective identification and tracking of individuals involved in terrorism.
- 2. Restricting Access to Explosive Precursor Chemicals:** The WCO's Programme Global Shield (PGS) activities are designed to limit terrorist groups' ability to manufacture and utilize Improvised Explosive Devices (IEDs). By regulating access to explosive precursor chemicals, the WCO contributes to disrupting their operations and safeguarding communities.

3. **Ensuring Control of Weapons of Mass Destruction (WMDs):** The WCO's Strategic Trade Control Enforcement (STCE) Programme focuses on preventing terrorists from producing or obtaining Weapons of Mass Destruction (WMDs). By implementing stringent measures, the WCO aims to mitigate the risk of mass casualties and preserve global security.
4. **Combatting the Proliferation of Small Arms and Light Weapons (SALW):** Recognizing the preference of terrorist groups for using Small Arms and Light Weapons (SALW), the WCO provides specialized training on SALW to Customs administrations. By restricting access to SALW, the WCO contributes to reducing the arsenal available to terrorist organizations.
5. **Curbing Terrorist Financing:** The WCO Security Programme aims to counter terrorists' ability to finance their activities by targeting their involvement in bulk cash smuggling and other forms of money laundering. By impeding their financial resources, the WCO aids in disrupting their operations and reducing their capacity to carry out attacks. See Chapter X for a more detailed overview of the WCO's work on this topic.

In addition to the aforementioned initiatives, the WCO Security Programme plays a vital role as the representative of Customs within the international community, actively engaging with relevant international organizations to address the pressing security threats we face. By fostering collaboration and cooperation, the WCO contributes to global efforts aimed at ensuring security and combating terrorism. As part of these activities the WCO has remained an active Member of the UN's Global Counter-Terrorism Coordination Compact, which brings together 41 UN entities, INTERPOL, the Financial Action Task Force (FATF), the Inter-Parliamentary Union, and the WCO to coordinate the international communities efforts to combat terrorism. As part of its involvement, the WCO assumes the co-chairmanship of the Working Group on Border Management and Law Enforcement relating to Counter-Terrorism. The WCO also increased its cooperation with the United Nations Office of Counter-Terrorism (UNOCT) when it signed an Arrangement on Cooperation with UNOCT in September 2022. This significant milestone further strengthens the partnership between the two organizations, enabling enhanced cooperation and synergy in the domains of passenger control and counter-terrorism.

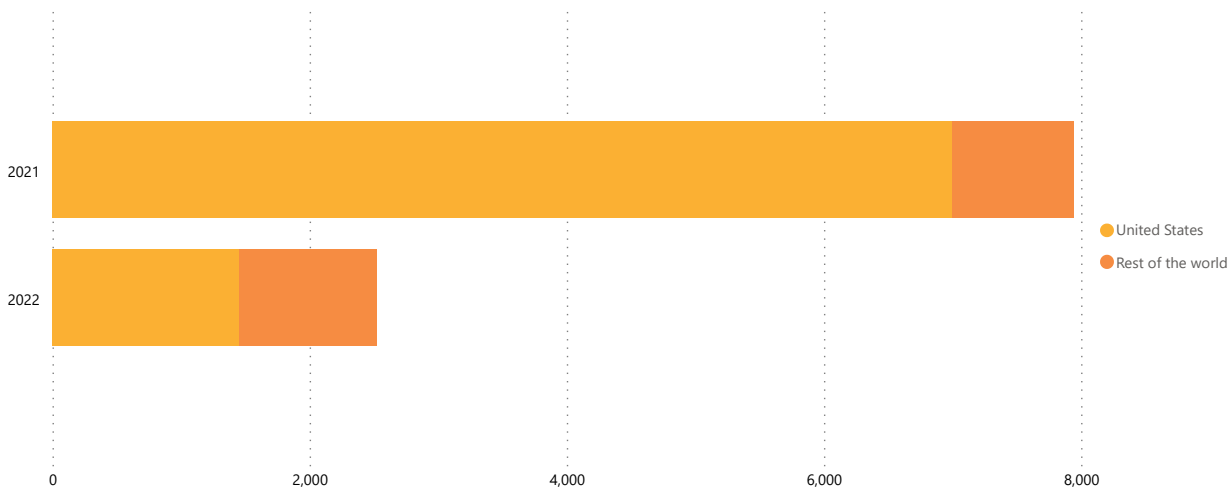
Through its active participation in these international collaborations, the WCO Security Programme amplifies Customs' voice on the global stage and by leveraging these partnerships, the WCO aims to foster greater understanding, facilitate knowledge sharing, and promote effective strategies in addressing security threats.

1. Overall trends in weapons and ammunition trafficking

This chapter primarily focuses on recent trends in illicit firearms trade, given its prominence among Security Programme-related seizures reported by WCO Members in CEN when compared to other security related seizures including strategic dual use goods and explosives.

Global gun violence presents a formidable challenge to global security, manifested by an alarming magnitude of firearm-related deaths annually. The worldwide toll of such fatalities exceeds 175,000, with the top 10 countries accounting for approximately 131,543 deaths, representing approximately 74% of total gun deaths. Nevertheless, the issue extends beyond these nations, as 82 countries report over 100 gun-related deaths annually within their borders. In addition, gun-related deaths are documented in at least 181 countries, underscoring the widespread impact of this pressing issue.

Figure 1a: Total SALW and Ammunition Seizures, 2022-2023 (U.S. vs Rest of the World)



In 2022, there was a substantial 68% decrease in the number of reported seizures (2,519) compared to the previous year (7,940). This decline is primarily attributed to a decrease in reported seizures from the United States, which each year account for a significant proportion of annual weapons seizures reported to the Customs Enforcement Network (CEN). For example while the United States reported a total of 6,994 weapons and ammunition seizures in 2021 they only reported 1,453 seizures in 2022. While such large fluctuations in the number of reported seizures is usually a result of a lack of reporting when looking at official U.S. CBP statistics we see that there was in fact a considerable drop in the number of weapons and ammunition

¹ <https://www.cbp.gov/newsroom/stats/weapons-and-ammunition-seizures>

seizures in the United States from 2021 to 2022; with official figures indicating a 59% decrease in 2022 compared to 2021¹.

Despite the considerable reduction in the overall number of seizures reported by the United States, the decline in recovered firearms was relatively less dramatic, with only a 16% decrease observed. This suggests that more firearms and ammunition were being recovered per individual seizure, which may indicate potential changes in smuggling techniques and enforcement efforts.

While the United States continues to account for a significant proportion of reported seizures (58%) in the 2022 data set, this figure is notably lower than the 88-92% observed in previous years. This can be attributed to two key factors:

1. **Comprehensive Reporting Practices:** The US CBP's robust reporting practices significantly contribute to the high frequency of reported seizures from the United States. Unlike some other World Customs Organization (WCO) Members, the US CBP consistently provides a substantial quantity of total seizures to the CEN database. This practice ensures a closer representation of their annual seizures in the database. In contrast, other WCO Members may exercise selectivity when reporting seizures, resulting in a relatively lower presence of their seizure data in the CEN database.
2. **High Gun Ownership Rate:** The United States exhibits a notably high overall gun ownership rate among its civilian population, creating opportunities for firearms to be diverted into the hands of illicit gun owners. This also contributes to the higher incidence of weapons seizures reported from the United States.

Figure 1b: Number of weapons and ammunition seizures by country, 2021-2022

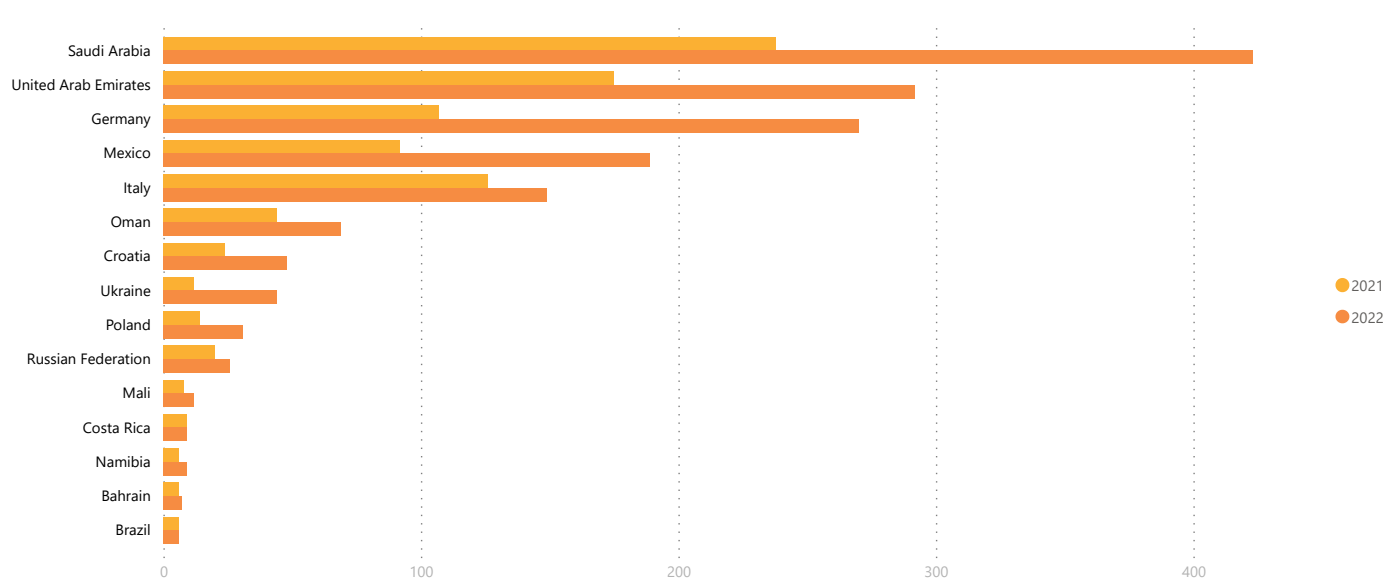


Figure 1b shows the countries which reported the highest number of weapons and ammunition seizures excluding data from the United States.

In 2022, 71 countries reported weapons seizures to CEN compared to 37 countries in 2021 which is a 91% increase in the number of reporting countries. In addition to the large volume of seizures reported by the United States, significant seizures were reported by Saudi Arabia (423), United Arab Emirates (292), Germany (270), Mexico (189), Italy (149), Oman (69), Croatia (48) and Ukraine (44). Overall, the top reporting countries remained largely the same for both 2021 and 2022. However, notably several countries including Ukraine, Poland, Serbia and Hungary all reported significant weapon seizure increases in 2022 compared to 2021. It is believed that this increase in seizures is the result of increased enforcement activities by Customs following breakout of conflict in Ukraine in the countries which neighbour the conflict zone. Notably the majority (61%) of seizures in Ukraine and its neighbouring countries took place at the land border with mail seizures accounting for 23% of total seizures in these countries. This is in contrast to what we see when looking at all seizures where land border seizures only make up around 29% of all weapons seizures (see Figure 2 below).

Figure 2: Location of Seizure, 2022

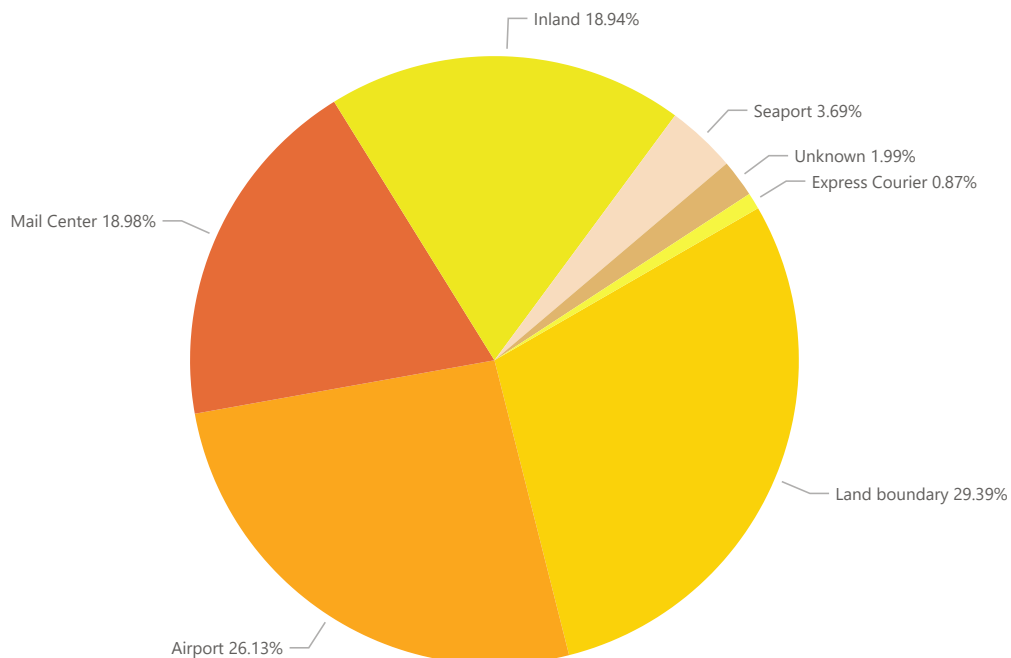
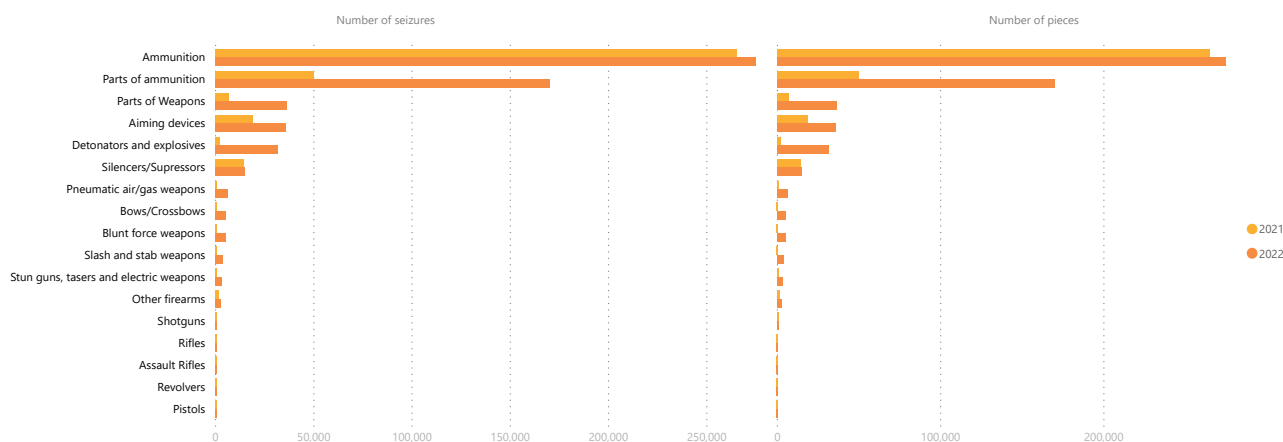
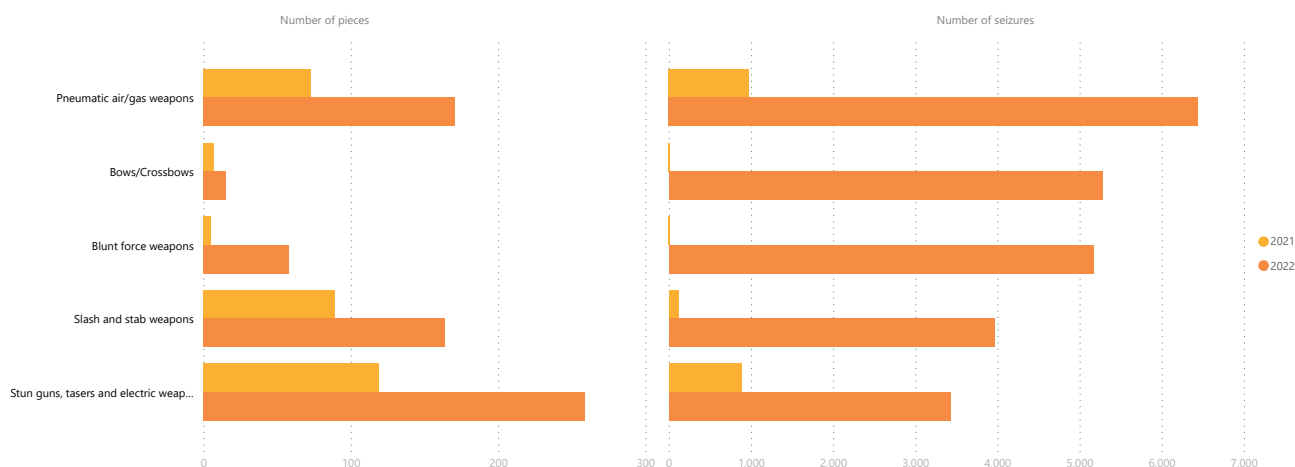


Figure 3: Number of weapons and ammunition seizures and quantity seized by type, 2021-2022

The 2,518 weapons seizure cases reported to CEN in 2022, resulted in the recovery of 773,035 rounds of ammunition (up 182% compared to 2021), 7,335 firearms (up 83% compared to 2021) and 56,496 firearm accessories (i.e. silencers/suppressors, scopes and magazines) which 46% increase compared to 2021.

Figure 4: Number of “other weapons” seized and quantity seized by type, 2021-2022

At the country level 274 weapons trafficking routes were identified in 2022. Despite identifying 274 trafficking routings in 2022, in around 71% of cases the routing was only observed on one occasion with 95% of routings occurring less than five times in 2022. These routings can be broken down into three main categories with the most frequently occurring routes occurring in North America, followed by intra-European and intra Middle East trafficking routes which are broken down as follows:

North America Trafficking Routes: The most frequently occurring weapons trafficking routing was from an unknown source country to the United States which accounted for 39% of all routings identified. This was followed United States domestic seizures (46 occurrences), United States to Mexico (20 occurrences), Mexico to the United States (16 occurrences) and Canada to the United States (9 occurrences)

Intra-European Trafficking Routes: European trafficking routes were the second most frequently occurring routes in 2022 and include the following routes, Unknown country to Kosovo (20 occurrences), Lithuania to Belarus (10 occurrences), German domestic seizures (8 occurrences), Poland to Germany (8 occurrences), Bosnia and Herzegovina to Croatia (6 occurrences), Ukraine to Poland (6 occurrences) and Switzerland to Italy (4 occurrences).

Intra- Middle East Trafficking Routes: The Middle East region was also featured in the routings identified in 2022 with the most common routings being, Jordan to Saudi Arabia (5 occurrences), Oman to the United Arab Emirates (5 occurrences), Kuwait to Saudi Arabia (4 occurrences), United Arab Emirates to Oman (4 occurrences) and Lebanon to the United Arab Emirates (3 occurrences).

For a more comprehensive overview of all trafficking routes identified in 2022 please see [Figure 5](#) below:

Figure 5: Weapons and ammunition trafficking routes, 2022



According to the survey responses from WCO Members, three main types of weapons trafficking routes and modus operandi were reported, largely influenced by the geographical positioning of the countries involved.

The first type involves the concealment of disassembled weapons and weapons components in mail or fast parcels. This pattern was predominantly observed in developed countries that are not situated near known source countries for firearms, such as Australia, New Zealand, and Finland. The survey identified North America as the primary source for disassembled firearms trafficked via mail, while the Asia Pacific region was highlighted as the main source for weapons components and accessories.

The second type of trafficking is associated with vehicle concealment, primarily reported by WCO Members sharing land borders with countries experiencing ongoing or recent conflicts. European countries bordering the Balkans, which witnessed prolonged conflicts in the 1990s, as well as those neighbouring Ukraine, which currently facing an ongoing conflict, frequently reported this type of trafficking.

The third type involves island nations and countries with access to coastal waters, which identified their maritime borders and sea freight as the primary sources of illicit firearms. These nations, due to their geographical characteristics, face unique challenges in controlling the flow of weapons through their maritime environments.

By categorizing weapons trafficking into these distinct types based on geographical factors, the WCO and its Members gain valuable insights into the specific challenges they face in combatting illicit firearms trade. This knowledge helps shape targeted strategies and resource allocation to address the unique characteristics of each trafficking route.

Understanding the varying patterns of weapons trafficking enables Customs administrations to enhance their enforcement measures, develop specialized training programs, and strengthen collaboration with international partners. By collectively addressing these diverse routes and modus operandi, countries can more effectively prevent the proliferation of illicit firearms, contributing to the overall global security efforts.

2. Firearm component trafficking

The illicit trade of firearms components, obtainable via e-commerce platforms and the dark net, presents a security risk when these components are subsequently assembled into fully functional weapons within the importing country. This risk is further exacerbated by the concealment of firearms within ordinary items/packages, making their detection challenging when utilizing non-destructive screening methods such as x-ray scanners. As shown in image B, once a firearm has been concealed within an item/package, it becomes much harder to identify as being a firearm when examining a package using nonintrusive technologies like x-ray scanners. Furthermore, the growing familiarity of consumers with purchasing both legal and illegal merchandise from conventional e-commerce platforms and crypto markets on the dark net has led to a continuous expansion of the online market for weapons and their component parts.

A growing concern pertains to the escalating prevalence of "ghost guns" in the hands of criminal actors. Ghost guns refer to privately manufactured firearms that are constructed through the acquisition of online kits or 3D-printing technology. Notably, these weapons evade the conventional requirement of background checks during purchase and lack serial numbers for traceability.

The proliferation of ghost guns is facilitated by the accessibility of 3D printing, enabling firearm enthusiasts to construct illegal yet untraceable plastic weapons using readily available online blueprints. With minimal financial investment, individuals can now fabricate their own firearms from the comfort of their homes, circumventing conventional regulations.

The United States has witnessed a significant surge in the utilization of ghost guns, with figures showing a 1000% increase in the recovery of such firearms between 2017 and 2021². Similarly, countries including Canada and various European nations have also experienced a marked rise in the use of ghost guns by criminal elements³. The most notable crime using a ghost gun was the high-profile assassination of former Japanese Prime Minister Shinzo Abe in July 2022 serves as a poignant reminder of the lethal consequences associated with the deployment of ghost guns.

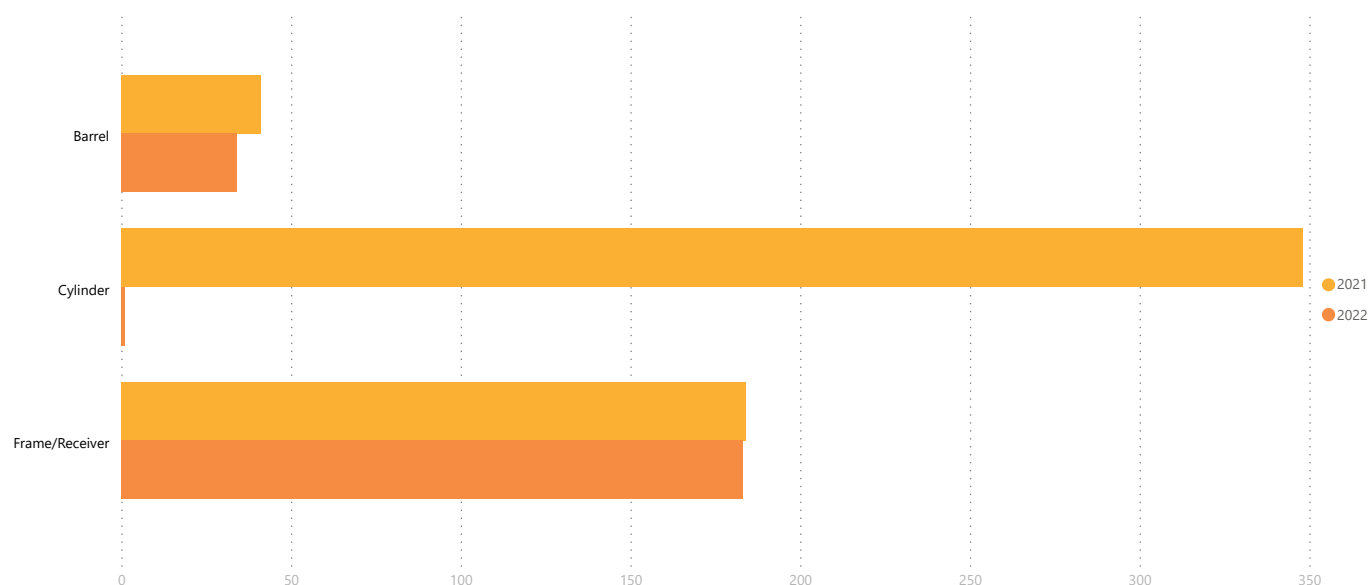
The emergence and proliferation of these illicit firearms pose a serious challenge to Customs and other law enforcement agencies, as their lack of serial numbers renders tracing and tracking exceedingly difficult.

² <https://www.cbsnews.com/news/ghost-gun-use-crimes-1000-percent-rise-since-2017-atf-report/>

³ <https://www.euractiv.com/section/justice-home-affairs/news/europol-keeps-wary-eye-on-threat-from-3d-printed-guns/>

Revolver seizure. Courtesy: Cuban Customs



Figure 6: Firearms components seizures by number of pieces, 2021-2022

As was the case in previous years the number of firearms accessories including aiming devices, silencers and magazine were seized in far greater volumes than core firearm components like barrels, cylinders and frame/receivers (see [figures 6 and 7](#)). The number of core firearm components seized remained largely the same between 2021-2022 with the exception being a large reduction in the number of cylinders seized in 2022, with only one single cylinder being reportedly seized in CEN in 2022.

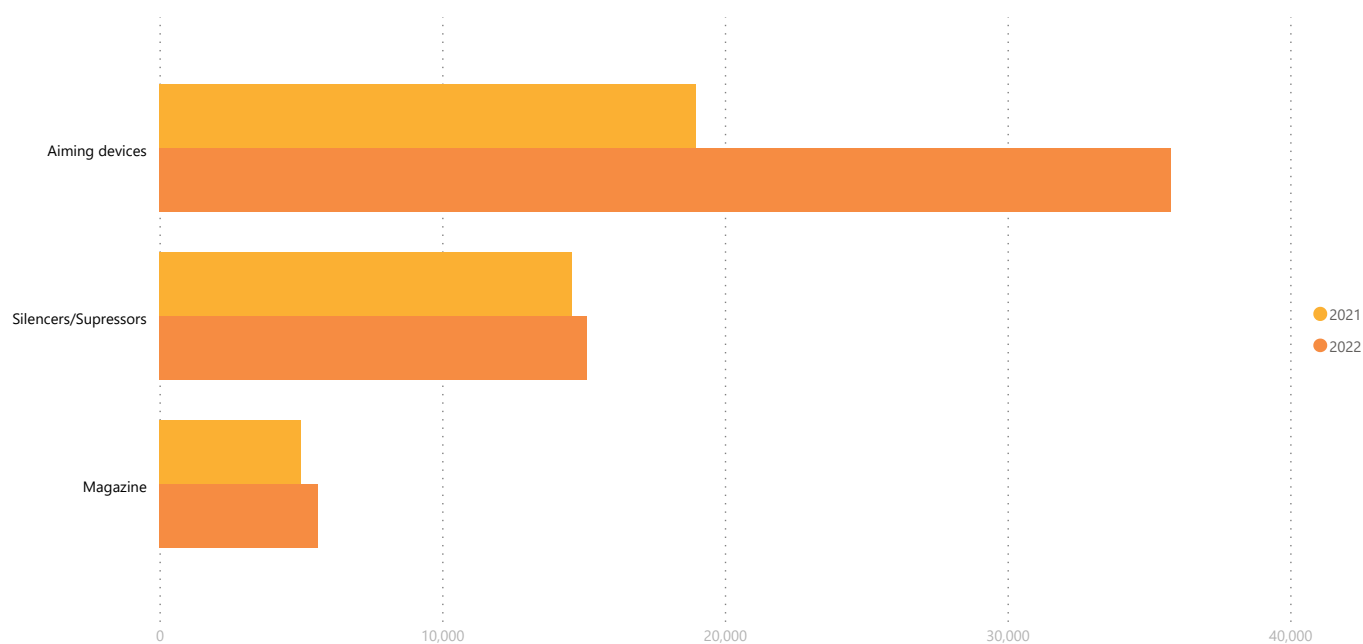
Figure 7: Firearms accessory seizures by number of pieces, 2021-2022

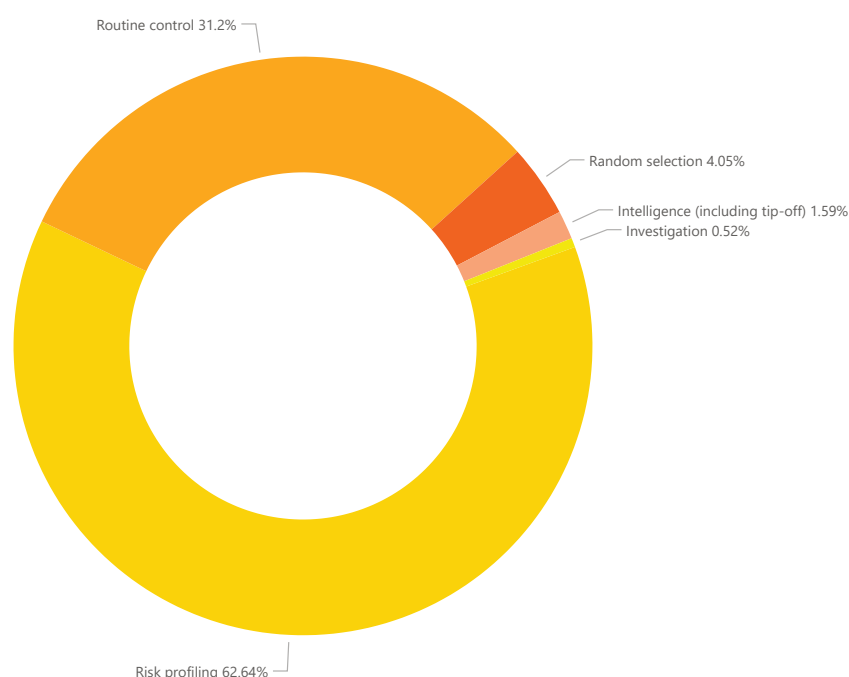
Figure 8: Percentage of all weapons and seizures by detection method, 2022

Figure 8 shows that risk profiling was by far the most frequently used detection method for weapons seizures with risk profiling being used in 62% of weapons seizures and resulted in the recovery of 71% of the weapons seized. Routine control was the second most frequently used detection method being used in 31% of all weapon seizures and leading to the recovery of 22% of the weapons seized in 2022.

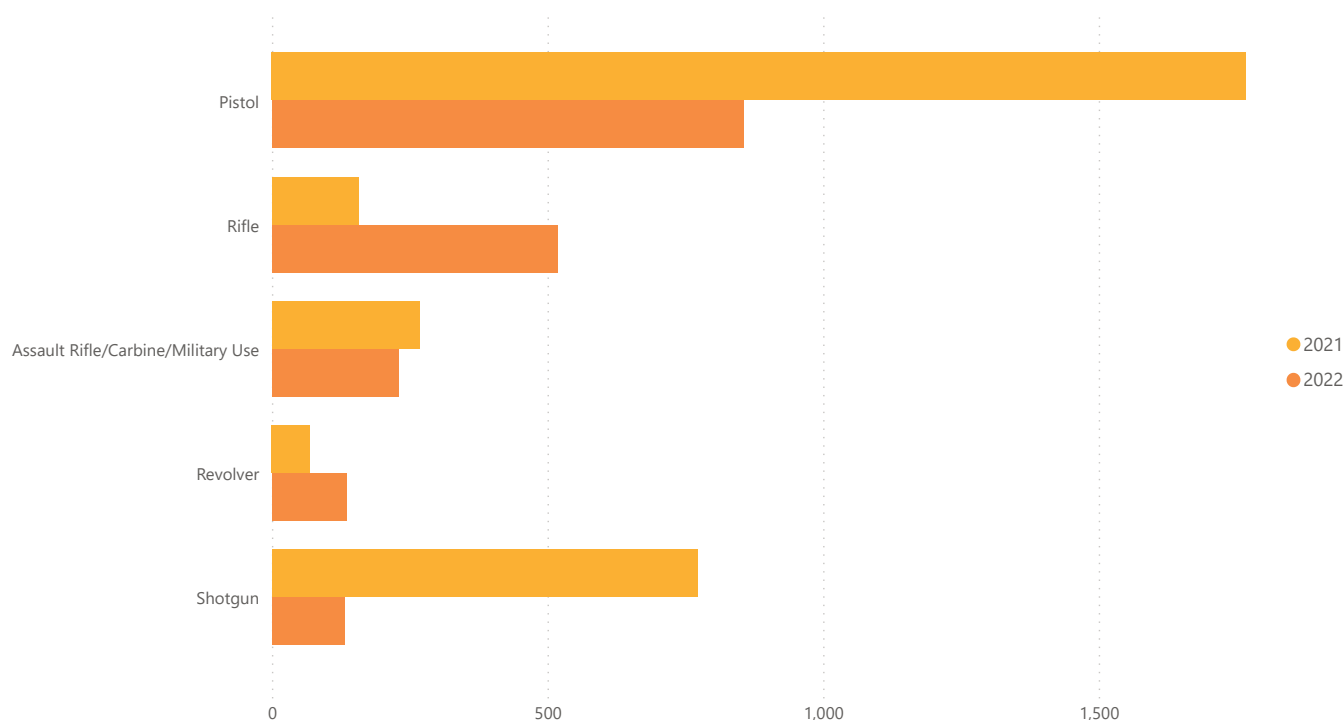
3. Firearms trafficking

The proliferation of firearms within the civilian population in countries presents a heightened risk of weapons trafficking, as it creates greater opportunities for diversion from legal possession to illicit gun ownership. Moreover, the diversion of firearms from legitimate sources, including civilian, military, and law enforcement stockpiles, can occur through various means, including but not limited to:

- Diversion from military deployments, which may arise from circumstances such as military service, theft, the acquisition of "military/conflict souvenirs," or enemy capture.
- Theft from government and civilian stockpiles.
- Diversion or theft from private security companies and weapons manufacturers.
- Reactivation of decommissioned or antique firearms.
- Diversion from the process of weapons "recycling" or surplus disposal.
- The conversion of non-lethal firearms into lethal firearms.

This section will provide an overview of firearm seizures which were reported to CEN in 2022. Figure 9 shows the most frequently seized type of firearms in 2021 and 2022. Nevertheless, it is worth noting that pneumatic air/gas weapons were actually the most frequently seized type of firearms with 5,464 being seized in 2022 and 975 being seized in 2021. However, this category was removed from Figure 10 in order to improve the readability of the chart. While the large volume of pneumatic air/gas weapons may appear to be less of a security risk than traditional firearm seizures, the ability to convert such weapons into more lethal firearms means they still pose a serious security risk. As with previous years we continue to see the seizure of high quality Turkish made starter pistols being seized which are popular amongst homemade firearms manufacturers who attempt to convert them to more deadly bullet firing weapons.

Figure 9: Firearms seizures by type and number of pieces, 2021-2022



Overall the amount of weapons seized per category went down in 2022 compared to 2021 with the exception of Rifles. This is mainly the result of a decrease in weapons seizures being reported to CEN in 2022 rather than due to a specific trend. Similar to previous years the majority of firearm seizures were small in scale with 3.7 firearms being seized per seizure on average. In fact, in 92% of seizures only a single firearms was seized; with large scale weapons trafficking (i.e. leading to the seizure of more than 10 firearms) only accounting for 2% of weapons seizures.

As shown in Figure 10 there was almost an even split between when the weapons were seized with 43.31% being seized upon export and 43.16% being seized upon

import. Unsurprisingly transit (12.2%) and internal seizures (1.3%) of firearms only made up a small percentage of total firearms seizures. When looking at firearm seizures by conveyance method (see Figure 11) we see that the Air, Vehicle and Vessel seizures each account for about a third of the total firearm seizures with Mail/Express Courier seizures only accounting for 2.8% of the firearms seized in 2022. We also see that the average size of a firearms seizure varies considerably depending on the conveyance method being used with Vehicles (1.47 firearms per seizure) and Mail/Express Courier (2 firearms per seizure) seizures resulting in more small scale seizures. In contrast air (17.8 firearms per seizure) and vessel (14.3 firearms per seizure) resulted in overall larger firearm seizures. One reason for the relatively small seizures from vehicles is that these firearms were often not the primary illicit goods being seized with many of these seizures resulting from drug seizures which took place on vehicles crossing a land border. As a result, the firearm was likely being used for personal protection of the trafficker rather than attempting to smuggle the firearm across the border.

Figure 10: Firearms seizures by direction, 2022

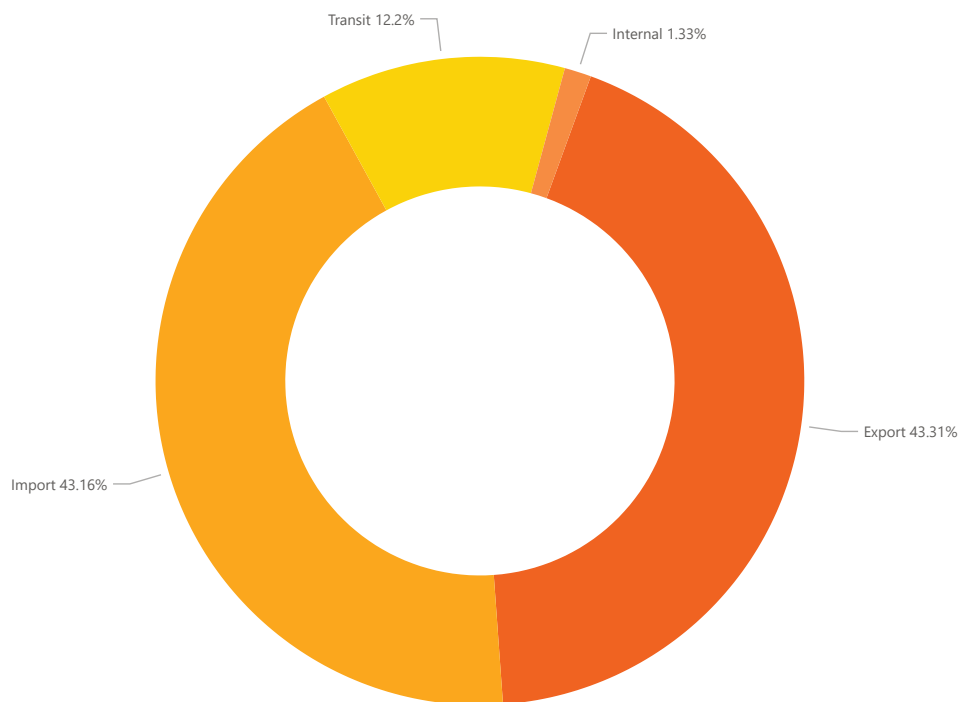
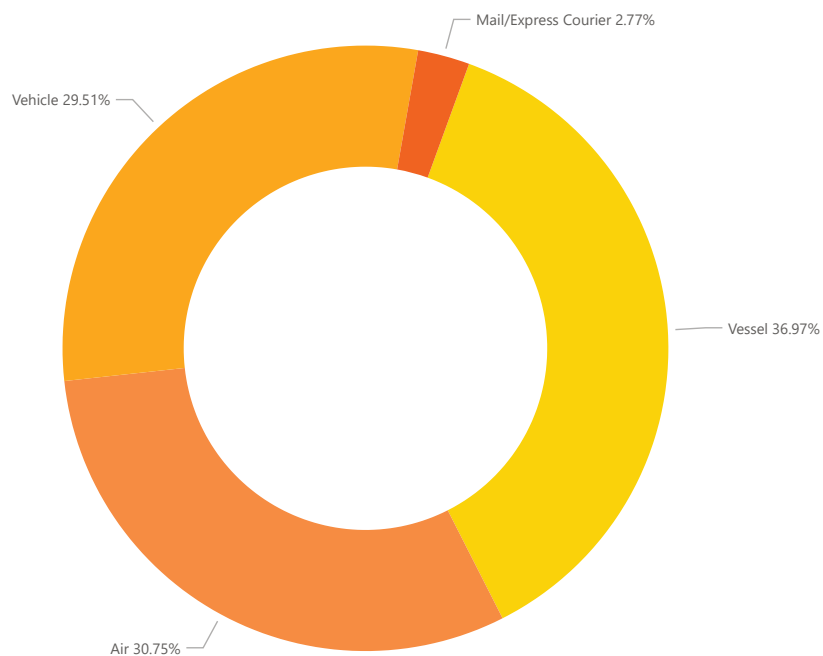


Figure 11: Firearms seizures by conveyance method, 2022

Case study 1

SEIZURE OF GHOST GUNS IN BRITISH COLUMBIA

The Canada Border Services Agency (CBSA) officers successfully intercepted and seized several "ghost guns" in British Columbia. These ghost guns are privately manufactured firearms without serial numbers and therefore pose a serious threat to public safety particularly due to the difficulty in tracing them. This case study highlights the significant seizures made by the CBSA to combat the increasing use of "ghost guns" by criminals.

CBSA officers in Vancouver and Toronto identified firearms parts arriving through international mail, which raised suspicions of illicit activities. Acting on this information, the CBSA's Criminal Investigations Section initiated further investigations into the individuals involved in importing the firearms parts.

On April 27, the CBSA executed a search warrant in West Kelowna, British Columbia which led to the discovery of a 3D printing machine which was in the process of printing a handgun frame. Officers also recovered six completed handgun frames, all lacking serial numbers, which were then seized at the property. This operation demonstrated CBSA's proactive approach to intercepting smuggled firearms parts and disrupting the production of ghost guns.

Following the seizure in West Kelowna, the CBSA conducted another search on a property in the town of Lumby the following day. This operation yielded significant results, including the confiscation of a loaded 9-mm handgun without a serial number, nine non-restricted long guns, a prohibited knife, a stun gun, and four canisters of ammunition. The recovery of these weapons highlights the gravity of the issue and the potential harm that these weapons could have inflicted on the community.

The CBSA's successful seizures of ghost guns in the B.C. Interior demonstrate the agency's commitment to protecting public safety and combating organized crime. By intercepting firearms parts and dismantling the production of ghost guns, the CBSA plays a crucial role in safeguarding the communities it serves. These cases serve as a reminder of the ongoing challenges posed by the importation and assembly of 3D-printed firearms and the need for continued vigilance at the border.

Sources:

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<https://www.reuters.com/world/americas/canada-seizes-ghost-guns-3d-printed-gun-parts-2022-08-03/>

<https://bc.ctvnews.ca/3d-printed-ghost-guns-seized-in-b-c-after-parts-smuggled-in-mail-cbsa-1.6013073>

Case study 2

INCREASING SMUGGLING OF SALW FROM THE UNITED STATES TO HAITI

This case study examines the notable increase in SALW seizures from the United States to Haiti. In 2022, U.S. law enforcement officials noticed a concerning rise in both the quantity and calibre of weapons being smuggled from Florida to Haiti, which poses significant security risks to both countries. Around the same time Haitian officials had a number of high profile SALW seizures. In the past, weapons smuggled from Florida to Haiti consisted mainly of pistols which were being moved in small quantities. However, 2022 saw a shift in the scope and scale of SALW trafficking between the two countries with both countries noticing an increase in both the volume and calibre of weapons being seized. Authorities have identified assault rifles, machine guns, and .50 calibre weapons among the confiscated firearms.

One such notable seizure took place on July 21st 2022, when a clandestine shipment of arms and ammunition was discovered during a search operation at the Port-de-Paix wharf. The seized items included handguns, ammunition, and magazines. Just a week earlier officials uncovered a significant cache of assault rifles, pistols, ammunition, and counterfeit currency concealed in duty-free containers at Caribbean Port Service. Multiple law enforcement agencies, including the National Police of Haiti (PNH) and Customs, have been actively involved in intercepting these illicit shipments.

To counter the influx of weapons, enhanced border control measures are recommended. This includes thorough inspections of cargo ships and packages destined for Haiti, whether transported by sea or air. Collaborative efforts with international partners should be leveraged to utilize all available tools for identifying and seizing illegal firearms and ammunition.

If this trend continues unabated the proliferation of firearms poses a serious threat to Haiti's security and stability. With armed groups reportedly being on the rise causing an increasing demand for weapons and ammunition, which has made the country's borders vulnerable points for illicit trafficking. As a result, urgent action is required to curb the increasing smuggling of firearms and ammunition from the United States to Haiti. Strengthening border control measures, enhancing interagency cooperation, and implementing effective firearms control policies are crucial to addressing this escalating security challenge.

Sources:

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4. Programmes, projects and operations

4.1 Strategic trade control

The WCO's Strategic Trade Control Enforcement (STCE) Programme was established in response to United Nations Security Council Resolution 1540 (UNSCR 1540), which aimed to prevent non-state actors from engaging in the acquisition, development, manufacture, possession, transportation, transfer, or use of nuclear, chemical, or biological weapons. With a specific focus on supporting Customs administrations, the STCE Programme was created to enhance their capacity in implementing effective enforcement measures.

Central to the STCE Programme's mission is the delivery of training sessions to Customs administrations. These trainings are designed to equip Customs officers with the knowledge and skills necessary to identify, detect, and prevent the illicit trade of items relevant to UNSCR 1540, such as nuclear, chemical, and biological weapons-related materials. By enhancing the capacity of Customs administrations, the STCE Programme contributes to the international efforts in countering the proliferation of weapons of mass destruction (WMD).

Additionally, the STCE Programme coordinates several global and regional operations focused on strategic trade control. These operations serve as collaborative initiatives aimed at strengthening enforcement measures and addressing the challenges posed by the illicit trade of strategic goods. By fostering cooperation among Customs administrations and promoting information sharing, these operations play a crucial role in mitigating the risks associated with the proliferation of WMD-related materials.

Through its comprehensive training initiatives and collaborative operations, the WCO's STCE Programme actively supports Customs administrations in their efforts to prevent the illicit trade of nuclear, chemical, and biological weapons-related materials. By promoting effective enforcement measures and ensuring compliance with UNSCR 1540, the STCE Programme contributes to global security and the prevention of non-state actors' access to weapons of mass destruction.

4.2 Small arms and light weapons

The WCO Security Programme is currently engaged in two regional projects aimed at enhancing security concerning Small Arms and Light Weapons (SALW). The first project is a collaborative effort with the Small Arms Survey and INTERPOL, which delivers training to Customs officers in the Middle East and North Africa Regions. Following the successful completion of its initial phase, a second phase was initiated in 2021, which built upon the knowledge and training imparted during the 1st phase of the project.

In early 2022, the WCO launched a second regional SALW project named Project Bolt, in cooperation with the Caribbean Community Implementation Agency for Crime and Security (CARICOM IMPACS), which targets firearms and narcotics trafficking in the Caribbean region. This project seeks to provide comprehensive training and capacity building to Customs officers operating in the Caribbean, addressing both SALW-related challenges and anti-narcotics trafficking concerns which are

prevalent in the region. By equipping Customs officers with the necessary expertise and skills, Project Bolt aims to enhance security and counter illicit activities taking place within the region.

These regional projects exemplify the WCO Security Programme's commitment to collaborating with international partners and utilizing targeted training initiatives to address the multifaceted challenges associated with SALW and narcotics trafficking. By empowering Customs officers with specialized knowledge and practical skills to identify cases of weapons trafficking, these projects contribute to strengthening security efforts and fostering effective law enforcement measures in these respective WCO regions.

4.3 Passenger controls

The WCO has been actively engaged in assisting countries in enhancing their targeting capabilities to effectively identify high-risk passengers, including Foreign Terrorist Fighters (FTFs). To facilitate this endeavour, the WCO offered its Members the Global Travel Assessment System (GTAS), a complimentary targeting system that utilizes Advance Passenger Information (API) and Passenger Name Record (PNR) data. This system enables more precise targeting of individuals with the highest risk profiles among air travellers.

Although the WCO's GTAS program has ceased operation, the organization continues to support its Members in passenger targeting initiatives through collaboration with the United Nations Office on Counter-Terrorism's (UNOCT) Counter Terrorism Travel Programme. The UNOCT program offers comparable targeting systems and capacity-building assistance to UN Member countries, ensuring ongoing support for effective passenger targeting efforts.

Furthermore, the WCO remains actively involved in the development of robust passenger controls within the maritime domain. It is presently working alongside the International Maritime Organization (IMO) through the Passenger Facilitation Control Working Group to establish standards for API and PNR-like data specifically applicable to the maritime cruise sector. By engaging in these collaborative efforts, the WCO aims to enhance passenger controls and ensure effective risk management measures are implemented in the maritime industry.

Through its comprehensive approach to passenger targeting and controls, the WCO demonstrates its commitment to promoting global security and facilitating the efficient movement of passengers while mitigating potential risks associated with high-risk individuals and illicit activities.

4.4 PGS global

Programme Global Shield (PGS) is a longstanding WCO initiative designed to oversee the legal movement of chemical precursors and counter the illicit diversion of explosive precursors and related materials utilized by terrorist groups and insurgents in the production of Improvised Explosive Devices (IEDs).

In late 2021 the WCO launched a new global focused PGS project (PGS Global) which looked to enhance program effectiveness, thanks to funding from the United States Department of State and the European Commission.

The core objective of the WCO's PGS activities revolves around controlling, securing, and monitoring the supply chain of these critical goods. The program collaborates closely with its partners, namely the International Criminal Police Organization (INTERPOL) and the US Defence Threat Reduction Agency (DTRA), to offer capacity-building support to WCO Members and foster police-Customs cooperation through regional operational exercises.

As part of these activities the WCO convened a Global PGS Conference from 2 to 4 November 2022. This Conference aimed to prevent terrorist organizations and criminal entities from accessing precursor chemicals and other components used in the construction of IEDs within the global supply chain. With over 240 representatives from approximately 100 Member administrations and partner organizations such as DTRA, EUROPOL, INTERPOL, and the United Nations, as well as key PGS donors like the US Department of State and Qatar Customs attending the three-day event was conducted in a hybrid format.

4.5 West Africa security project

In March 2021 the WCO initiated a regional security project, targeting beneficiary countries in the West and Africa region, namely Côte d'Ivoire, Togo, and Ghana. This project, known as the West Africa Security Project (WASP), aimed to strengthen the capacity building efforts previously undertaken as part of the concluded Security Project for West and Central Africa. Building upon the success of Phase 1, Phase 2 of the WASP was launched in September 2022.

The overarching objective of the WASP is to enhance Customs security and trade-related procedures, enabling more effective control of supply chains by restricting access to precursor chemicals and components used in improvised explosive devices (IEDs), as well as Small Arms and Light Weapons (SALW) and other illicit goods and cash that may be utilized for financing terrorism. To achieve this objective, the project focuses on various activities, including awareness raising and the provision of software/equipment including the national Customs Enforcement Network (nCEN) database.

Recognizing the significance of gender equality and diversity (GED) as fundamental elements for sustainable development, peace, and security in West Africa, the WASP incorporates an innovative component dedicated to GED. By integrating these important considerations, the project seeks to ensure a comprehensive approach to security that addresses the diverse needs and perspectives of the region. Through its commitment to capacity building, enhanced security measures, and inclusivity, the WASP plays an important role in strengthening Customs operations, combatting illicit trade, and contributing to the overall stability and security of the West Africa region.

4.6 OperationCosmo Central Asia

The WCO Security Programme has coordinated various global operations focused on Strategic Trade Control Enforcement (STCE). Starting with, Operation COSMO which was conducted in 2014 and was followed by Operation Cosmo 2 which took place in 2018. More recently, STCE operations have concentrated on specific sub-regions, including Operation COSMO Central Asia. This operation, which took place between February and September 2022, aimed to enhance the control of strategic goods in nine central Asian countries. During a two-week intensive phase in May 2022, participating Member administrations leveraged their training from WCO STCE programs to conduct operational activities in the area of strategic trade control enforcement. The primary objective of Operation COSMO Central Asia was to detect and prevent the illicit trafficking of strategic goods within international supply chains.

Moreover, Operation COSMO Central Asia sought to assess the region's collaborative capacity in enforcing strategic trade controls. It aimed to support the effective implementation of crucial international commitments, including United Nations Security Council Resolution 1540, which aims to prevent the proliferation of Weapons of Mass Destruction (WMD).

Unlike other WCO operations that primarily result in the large seizure of illicit goods such as drugs, counterfeit products, or wildlife-related items, STCE-focused operations like COSMO prioritize fostering effective cooperation among participating countries to counter the illicit trafficking and diversion of strategic goods used in WMD production. Building on the success and lessons learned from Operation COSMO Central Asia, additional sub-regional STCE-focused operations are planned for the future, with Operation COSMO Med scheduled to occur in the Mediterranean region during the summer of 2023.

4.7 Fragile borders

Fragile borders pose significant challenges as they are characterized by conflict and violent incidents that create an environment of insecurity, leading to detrimental effects on the border economy. In these areas, the authority of the State is frequently contested, resulting in power struggles between the State and armed groups. These areas will often see authorities compete with non-state groups on issues around fiscal, economic, and political control, particularly concerning the regulation of movement of people and goods. According to estimates by the International Monetary Fund, approximately one billion individuals worldwide are directly impacted by fragility and conflict situations⁴. Furthermore, the consequences of these situations often transcend national boundaries, giving rise to regional issues that affect multiple countries, leading to social and economic distress on a global scale. The WCO has been actively engaged in addressing the challenges posed by fragile borders for several years, primarily through the efforts of the WCO Research and Policy Unit. The use of the term "fragile borders" has been adopted to shed light on the insecurities specific to border regions, where both state and non-state actors operate. This terminology offers a more nuanced understanding of the issues at

⁴ IMF (2022). IMF Strategy for Fragile and Conflict -Affected States. <https://www.imf.org/en/Publications/Policy-Papers/Issues/2022/03/14/The-IMF-Strategy-for-Fragile-and-Conflict-Affected-States-515129>. World Bank (2021). World Bank Group Strategy for Fragility, Conflict, and Violence 2020–2025.

hand compared to commonly used terms like "fragile states," which often fail to consider the localized nature of armed violence. Even in situations where a state itself may not be deemed fragile, it can still grapple with various pockets of insecurity that have emerged on the periphery of its national territory. Distinctive from our other security-focused initiatives, this work takes a comprehensive approach by exploring the interplay between security, border economy, cross-border trade, taxation practices, and the competition between state and non-state armed groups operating in these fragile areas. Additionally, it examines strategies for countries to restore administrative functions following post-conflict situations.

The initial focus of the WCO's work on Fragile Borders was primarily centered on African countries, with particular attention given to the Sahel and East Africa regions. This scope was later expanded to include North Africa and the Middle East. The primary objective of this early work was to gain a comprehensive understanding of the economic dynamics and challenges faced by Customs in these border areas. Findings from this initial research were subsequently disseminated through various academic publications, ensuring that these challenges are captured within the scholarly discourse and attract the necessary support from donors. Notably, the WCO's report titled "Customs, Security and Fragility: Practices and Recommendations from North Africa, Near and Middle East Region," published in June 2022, featured the insights and recommendations derived from this work.

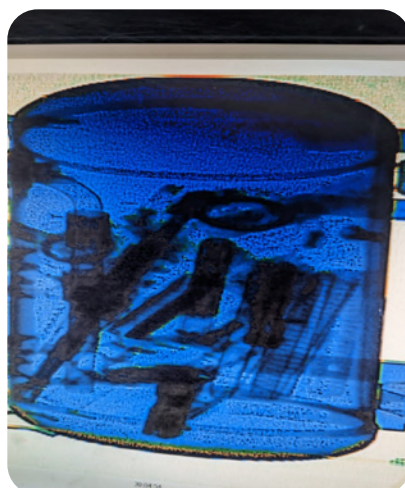


Weapons and Ammunition Concealed within Vehicle Engine, Courtesy of Barbados

Through the examination of the Middle East, North Africa, and Sahel regions, three distinct scenarios were identified in which Customs operate in fragile contexts. Firstly, a country may face security risks arising from its proximity to neighbouring countries experiencing security crises or post-conflict situations, resulting in limited control over border security. Secondly, the presence of armed groups, both state and non-state actors, may persist or manifest intermittently in one or more border areas, exerting influence on the border economy and impeding the normal functioning of Customs. Lastly, a country may be grappling with a post-conflict or ongoing national crisis, leading to the breakdown of the state apparatus and subsequent challenges faced by Customs, particularly in border regions.

Borderlands are highly susceptible to armed violence stemming from internal state conflicts, terrorism, and cross-border disputes. In North Africa and the Middle East, insecurity primarily affects border areas, capital cities, and oil production zones. Nevertheless, cross-border trade persists despite ongoing conflicts, often taking alternative routes that bypass stricter border controls or involve illicit activities like smuggling. Limited presence of Customs in these regions is attributed to the insufficient recognition of their role in security and the constraints of available resources. Furthermore, the lack of coordination among various state agencies further impedes effective security measures. To support nations facing fragility and conflict, the WCO actively advocates for the integration of Customs in security policies (as highlighted in the Punta Cana Resolution), conducts comprehensive assessments, delivers technical training, and leverages modern technologies such as geo-spatial imagery and data analytics. Notably a Global Conference on Enabling Customs in Fragile and Conflict-Affected Situations held in Abuja, Nigeria in early 2023, which convened international delegates to develop the WCO Action Plan on Fragile Borders, which will guide the WCO's future work on this topic.

Pistol Concealed within Air Compressor,
Courtesy of St. Lucia





Abbreviations

AD	Anno Domin
AMS	Americas
AP	Asia-Pacific
API	Advanced Passenger Information
BC	Before Christ
BNI	Bank Negara Indonesia (Indonesian central bank)
CA	Central Africa
CAR	Caribbean
CEN	Customs Enforcement Network
CBSA	Canada Border Services Agency
CCP	Container Control Programme
CBP	Customs and Border Protection
CES	Customs Enforcement Scan
CIS	Commonwealth of Independent States
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
DRI	Directorate of Revenue Intelligence
DRC	Democratic Republic of the Congo
DSA	Department of State - Bureau of International Narcotics and Law Enforcement Affairs
ECE	Eastern and Central Europe
EU	European Union
EUIPO	European Union Intellectual Property Office
E-waste	Electronic waste
Eurostat	Statistical Office of the European Union
FATF	Financial Action Task Force
FIUs	Financial Intelligence Units
GA	General Aviation
GIA	Gemological Institute of America
GST	Goods and Services Tax
HCFCs	Hydrochlorofluorocarbons
HFCs	Hydrofluorocarbons
HIV	Human Immunodeficiency Virus
HZPF	Hot Zone Prioritization Forum
IATA	International Air Transport Association
ICOM	International Council of Museums
IEDs	Improvised Explosive Devices
ID	Identification
IMPEL	EU Network for Implementation and Enforcement of Environmental Law
INTERPOL	International Criminal Police Organization
IPR	Intellectual Property Rights
IRS	Internal Revenue Service

IT	Information Technology
ITR	Illicit Trade Report
JAITFs	Joint Airport Interdiction Task Forces
LEAs	Law Enforcement Administrations
ME	Middle East
MENA	Middle East and North Africa
MEAs	Multilateral Environmental Agreements
MENA	Middle East and North Africa
MOH	Ministry of Health
MSRP	Manufacturer's Suggested Retail Price
NA	North Africa
NAM	North America
Nparks	National Parks Board
NPS	New Psychoactive Substances
NRA	National Revenue Administration
OLAF	European Anti-Fraud Office
ODS	Ozone Depleting Substances
OPCW	Organization for the Prohibition of Chemical Weapons
PCTR	Passenger Carrying Trade
PGS	Programme Global Shield
PNR	Passenger Name Record
RILO	Regional Intelligence Liaison Office
RILO WE	Regional Intelligence Liaison Office for Western Europe
RPK	Revenue Passenger Kilometers
SA	South America
SALW	Small Arms and Light Weapons
TBML	Trade-based Money Laundering
TOC	Transnational Organized Crime
UNCTAD	United Nations Conference on Trade and Development
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNODC	United Nations Office on Drugs and Crime
UNOCT	United Nations Office of Counter-Terrorism
USD	United States Dollar
VAT	Value Added Tax
WA	West Africa
WCA	West and Central Africa
WCO	World Customs Organization
WE	Western Europe
WMDs	Weapons of Mass Destruction

Notes

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compliance@wcoomd.org

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