Shan Drug Watch

Newsletter

June 2009 Issue 2

A publication of the **Shan Herald Agency for News** (S.H.A.N.)

Foreword :

This publication is the 5th in the series of the Shan Herald's drug watch program, following our previous reports:

- *Show Business: Rangoon's War on Drugs in Shan State* (2003)
- *Finding Neverland: The story of Yawngkha* (2005)
- *Hand in Glove: The Burma Army and the drug trade in Shan State* (2006)
- *Shan Drug Watch: Wa sacrifice at what price?* (2007)

A few months after the 4th publication came out, we had a chance to meet Mr Xavier Bouan from the UN Office on Drugs and Crimes (UNODC) who had been monitoring annual opium output in Burma, and were pleasantly surprised when he acknowledged that our findings "converged", to use his own words. What he said was significant as the meeting took place only 4 months after the UNODC chief had declared the Golden Triangle would be free of drugs soon, contrary to our findings that the output had been increasing.

As we see it, provided that both official and independent monitoring stick to the truth, their reports will serve as head and tail of a coin, giving the people a full picture of the situation and a formulation of the right solution to the problem. To paraphrase the Bible, the truth shall certainly make Burma - and the world - free.

We also take this opportunity to express our sincere thanks to Mr Kevin Simons for compiling the 2007-2008 assessment and the evaluation of the State Peace and Development Council's 15 year drug eradication plan. Special thanks also to Ms Nadia Stone for her wonderful editing.

And, last but not least, our warmest thanks to the readers without whose support our project would have been long abandoned.

Mysoong Kha! (May you prosper!)

Khuensai Jaiyen
Editor in Chief

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This issue is dedicated to: Janda Nanda (1948-2004), Gongur (Sumarn) (1966-2007), Sein Win Naung (1948-2008), Long Nawnghpa (1951-2008)

Ten Years After

S.H.A.N evaluates the first decade of the 15-year drug eradication policy undertaken by Burma's ruling State Peace and Development Council in 1999.

June 26 marks 10 years since the State Peace and Development Council (SPDC) embarked on its 15-year plan to eradicate the cultivation and production of all drugs in Burma by 2014.

Over the last 10 years, the ruling Burmese junta has claimed the apprehension of hundreds of drug dealers, the confiscation of thousands of kilos of opium and heroin, and the destruction of thousands of hectares of poppy fields. Senior General Than Shwe, head of the military and the state, points to continuing cooperation with the governments of Thailand, China, and the United States as proof of his regime's resolve to bring the drug trade to an end in Burma. The SPDC and its supporters also say that poppy cultivation has stopped in at least 13 targeted townships since 1999 and there has been significant reduction in opiate production in Burma since the industry peaked in the country in the mid-1990s.

The picture might be one of remarkable success, but information revealed through S.H.A.N's sources paints a very different picture.

According to S.H.A.N's information, during the past decade the junta has not arrested major suppliers, growers or traffickers as claimed, but mostly low-level dealers and users. SPDC might have suppressed or eliminated cultivation in 13 targeted townships, but has failed in its efforts in some 30 others, and, worryingly, poppy cultivation and production is increasing in villages outside the geographical area outlined for poppy-cultivation eradication.

According to the United Nations Office on Drugs and Crime (UNODC), Burma's role in the world's opium trade is a mere fraction of what it was 10 years ago, when it was responsible for roughly 50 per cent of the world's illicit output. Now, UNODC says, the figure is around five per cent, and the amount of opium produced in Burma has dropped from nearly 1,800 tonnes in 1993 to 460 tonnes in 2007.

But Burma's isolation from the international community and huge censorship of information allowed from the country means it is difficult to check the accuracy of statements.

S.H.A.N has long believed that the 1993 figures of Burma's extensive opiates production (1,800 tonnes) were grossly inflated, and

Photo : SHAN

Poppy field in central Shan State (2008)

consequently the much-ballyhooed reduction of drug production through 2006 was illusory.

In 2007, Xavier Bouan, from UNODC, was forced to agree. Speaking with Shan Drug Watch at a drugs forum organized by the Foreign Correspondents Club of Thailand (FCCT) on September 12, Bouan conceded that the official estimates in the 1990s were based on U.S. satellite intelligence, and were probably not reliable. He went on to say: "We started to do our own survey only after 2000. Naturally, we made a few mistakes at first… [Now, most of] our findings converge with those of S.H.A.N."

His words are a heavy blow to the regime's claim that Burma is reducing its opium trade. Instead, it is possible that production is as high now as it was 10 years ago. Khuensai Jaiyen, Director of S.H.A.N, has stressed this point over the years. In his presentation at the same FCCT forum, he said: "We believe that the official figures of 10 or more years ago are overestimated… perhaps all that has happened is that in recent years figures have become more realistic, and there has been no real drop at all."

(Japanese journalist Hideyuki Takano and Rutgers University Ko-Lin Chin, both of whom had stayed in the Wa hills for months have also argued against the UN and US figures.)

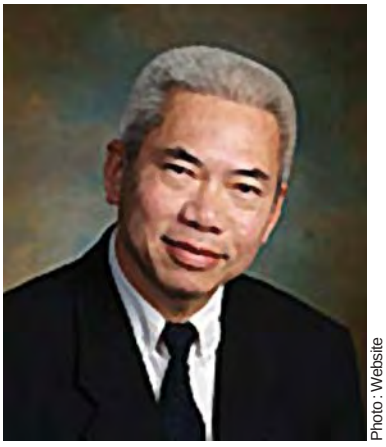


Photo : Website

Ko-Lin Chin, Rutgers University professor

S.H.A.N believes that both of the first two phases of the SPDC's drug reduction plan have failed. The first phase, which ran from 1999 to 2004, targeted 22 townships in Shan State, yet to date only seven of those can claim to be drug-free. Of the seven drug-free townships, three are under the control of ceasefire groups. These are the Kokang townships of Kunggyan and Laokai in northern Shan State, controlled by Myanmar National Democratic Alliance Army (MNDAA); and Mongla in eastern Shan State, controlled by National Democratic Alliance Army - Eastern Shan State (NDAA-ESS).

Phase 2, from 2004 to the present, saw 20 townships - 16 in Shan State, four in Kachin - targeted for drug eradication. Currently, only six make any claim of success. And the truth of the claims is tenuous. All six are in Wa areas in northern Shan State under the control of the United Wa State Army (UWSA), whose leaders are reputedly among the world's most notorious drug traffickers.

The Wa territories might be poppy-free, but it is believed that traffickers instead import raw opium from neighbouring townships in order to continue the trade. S.H.A.N sources say "townships surrounding the United Wa State Army's territory, [Hsenwi, Lashio, Tangyan, Monghsu, Markmang and Mongkhark] except those under the control of Kokang and Mongla ceasefire groups, have reported increased output."

With the focus primarily on northern Shan State during the first decade of the drug crusade, poppy farming has merely shifted to eastern Shan State and southern Shan State. Townships in those areas report 20-40 per cent increases in lands under poppy cultivation over the

last two years, and official figures show nationwide input increased more than 20 per cent in 2007 and 2008.

Photo : SHAN

A Wa village on the Sino-Burma border (2008)

It has also been reported that UWSA forces used the drug eradication policy to shut down rival heroin refineries - at times by means of armed combat - in order for greater control of the local drug trade.

Production of amphetamine-type stimulants (ATS) and Ice (crystal methamphetamine) is also increasing.

Meanwhile, the north's poor farmers, who depended on poppy cultivation for their livelihood, are suffering because neither the regime nor the ceasefire armies implemented viable alternatives to poppy cultivation. Poorly-planned efforts to replace poppy cultivation with tea, sugar, and rubber tree failed and consequently communities have turned to dangerous, unsustainable, or illegal industries like logging and prostitution.

With so little money and so few options, it will be more difficult to motivate people away from opium production. Burma's military - the Tatmadaw - is complicit in the drug trade. The Tatmadaw might account for more than 40 per cent of GOB's budget but this is mostly spent on weapons systems and the lavish lifestyle of officers. Soldier pay remains hazardously low, and so many are forced to find other ways to supplement their income. They are also required to contribute to the welfare fund of the unit to which they belong. Reasons for military involvement have been confirmed by Bouan, who said: "Everybody is involved in this trade in one way or another. Insurgents, militia, government, cease-fire groups; for all of them… it's one of the only ways to survive and get cash."

Testimony in 2003 had incriminated at least 93 of the 128 Infantry Battalions and Light Infantry Battalions oper-

Photo : SHAN

Digging a fish pond in Wa territory (2008)

ating in Shan State in facilitating the drug trade. Their involvement includes providing loans and seeds to villagers to grow opium; allowing or ordering farmers to grow opium; taxing the poppy harvest; transporting opium powder to heroin refineries; accepting bribes to allow dealers through government checkpoints; providing security for refineries; transporting methamphetamine pills to Thai dealers at the Thai-Burma border; and allowing Army personnel to sell methamphetamine to supplement their income.

If SPDC was to implement its drug eradication program successfully, it would have to find alternative livelihoods for a significant proportion of its population. The fact that a 2007 report by the International Institute for Strategic Studies showed that GOB spent just 0.4 per cent of its budget on health and 0.5 per cent on education shows there is currently little investment in the country's future.

Ten years into the 15-year plan, the ruling party remains notorious for drug dealing. Highly publicized reductions in the opiate trade are now acknowledged to be an illusion based on faulty estimates from the 1990s, and recent figures show nationwide increases of poppy fields and the production of synthetic drugs. Evidence suggests that the junta does not intend to eradicate drugs from Burma at all, until and unless it suits the generals' agenda. ❑

Present Burma Army units in Shan State

Evaluating SPDC's 15-year master drug elimination plan

After ten years, according to S.H.A.N research, the regime has failed to eradicate opium in 29 of the 51 targeted townships

Phase One (1999-2004) 22 townships

SHAN STATE	TOWNSHIP	FREE/NOT FREE	REMARK
North	Mongkoe	NF	
	Kunggyan	F	MNDAA(Kokang)* territory
	Laokai	F	MNDAA (Kokang) territory
	Kunlong	F	
	Hopang	F	
	Mongyai	NF	
	Tangyan	NF	
	Lashio	NF	
	Namtu	NF	
	Mantong	NF	
	Hsenwi	NF	
	Kutkhai	NF	
	Namkham	NF	
	Muse	F	
	Panghsai	F	
East	Mongla	F	NDAA-ESS ** territory
South	Kunhing	NF	
	Mongpan	NF	
	Langkher	NF	
	Hsihseng	NF	
	Faikhun(Pekhon)	NF	
	Mongkeung	NF	

Phase Two (2004-2009) 20 townships

STATE	TOWNSHIP	FREE/NOT FREE	REMARK
Kachin	Karmaing	NF	
	Waingmaw	NF	
	Moemauk	NF	
	Moehnyin	NF	
Shan North	Pangwai	F	UWSA territory
	Manphang	F	UWSA territory
	Napharn	F	UWSA territory
	Mongmai	F	UWSA territory
	Pangyang	F	UWSA territory
	Wiangkao	F	UWSA territory

STATE	TOWNSHIP	FREE/NOT FREE	REMARK
Shan East	Mongyang	NF	
	Kengtung	NF	
	Mongyawng	NF	
	Monghsat	NF	
	Mongton	NF	
	Mongpiang	NF	
	Mongkhark	NF	
Shan South	Hopong	NF	
	Mongnai	NF	
	Panglawng	NF	

In Phase Three (2009-2014) there are 9 townships

STATE	TOWNSHIP
Shan State South	Kehsi
	Monghsu
	Namzang
	Yawnghwe
	Laikha
Kayah (Karenni)	Loikaw
	Dimawso
Chin	Tonzang
	Falam

Total townships targeted : 51
Number of townships free/almost free : 13
Number of townships not free : 29 (Phase Three townships not included)

Reports from both Shan Herald and other news agencies also indicate that at least 14 townships not targeted in the 15 year plan are growing poppies:

Northern Shan State : Mongmit, Namhsan, Kyaukme and Hsipaw
Southern Shan State : Loilem and Mawkmai
Eastern Shan State : Markmang (Metman)
Kachin State : Sumprabum, Tanai and Putao
Kayah State : Shadaw
Chin State : Likha, Tiddim and Pletwa

Reports from western Burma also indicate that poppy cultivation has spread across the border into Bangladesh's Chittagong hill tracts - Editor

Update for 2007-2008

S.H.A.N summarizes developments in Burma's drug trade from June 26, 2007 to June 26, 2008 so as to provide an update to our 2007 Drug Watch newsletter.

Opium cultivation and production in Burma increased substantially after a decade of reported declines. The United Nations Office on Drugs and Crime's 2008 World Drug Report estimated an increase of 29% in total acreage planted and an additional 46% opium produced in 2007 over 2006 totals.

Shan State also witnessed a similar spike despite being the focus of the government's drug eradication policy. Cultivation was up 24% in Shan State, and opium addiction rose 25% among Shan residents since 2006.

These figures dovetailed well with our own estimates, marking the first time in a decade that UNODC and S.H.A.N agreed on the extent of Burma's drug trade. According to our data, the 2007-08 harvest exceeded that of the previous winter, with gains of up to 40% in Shan States east and south Production stayed relatively flat in Shan State north, although the three townships beyond the scope of the eradication policy - Mongmit, Namhsan and Hsipaw - were sources of increased production.

These developments were further evidence of the "balloon effect" of the junta's approach to fighting the drug trade in Burma: production fell where policy was strictly enforced, but it was merely replaced or surpassed by new production in other areas.

Cultivation was up in other states as well. Kachin News Group (KNG) reported that poppy cultivation was on the rise in Sumprabum and Putao townships. Observers in Kachin State attributed the recent surge in opium production to new government policy banning cross-border timber trade.

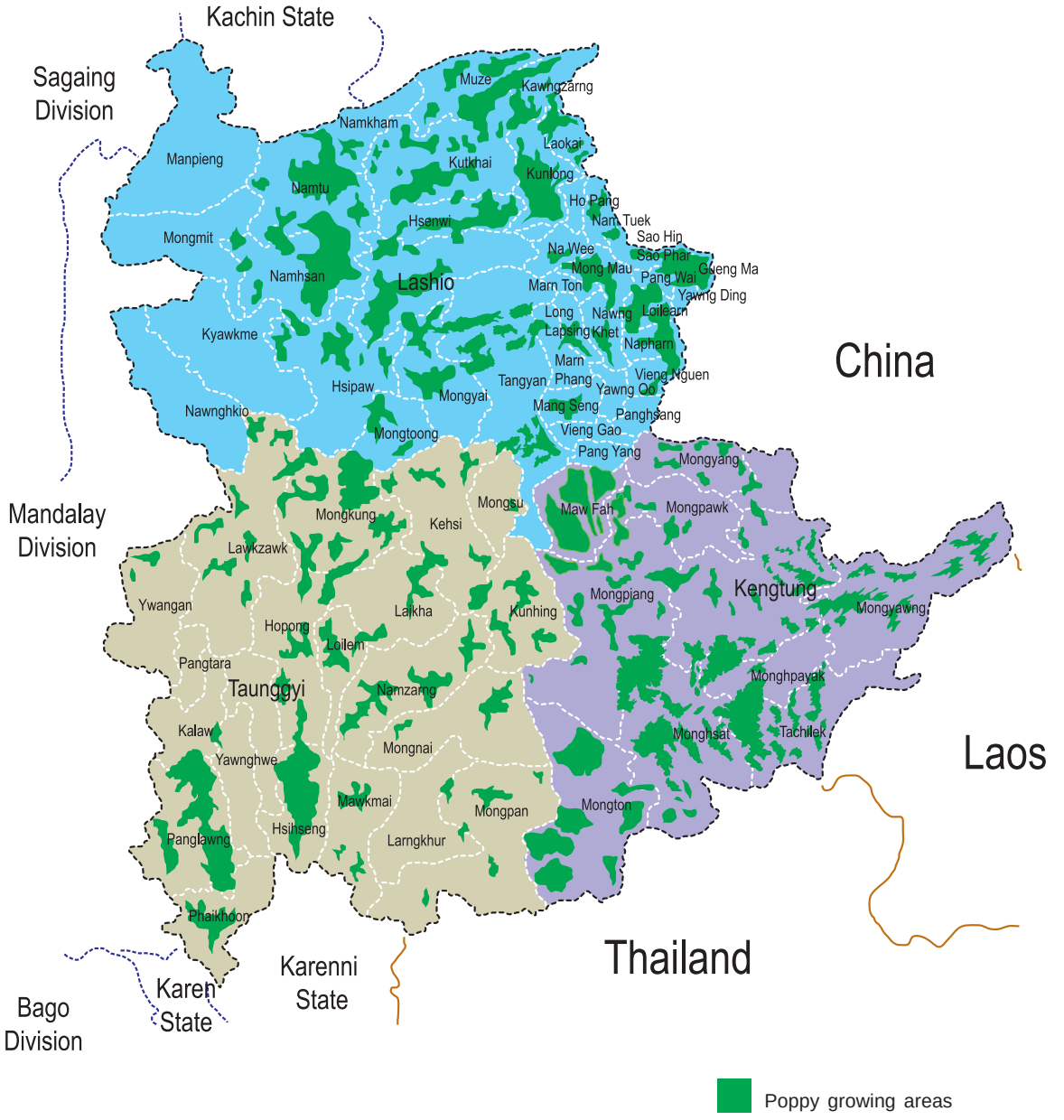
S.H.A.N. reporter Hawkeye reported from the Sino-Burmese border that loggers had been shot and logging companies forced to close. As a consequence, cash-strapped ceasefire groups had turned to the drug trade. Poppy fields sprang up throughout the townships controlled by the Kachin Independence Organization (KIO) and the Kachin Democratic Army (KDA), and reliable sources claimed that several new heroin refineries were newly operating in the area. As one ceasefire officer noted, "It looks as if the SPDC (the ruling State Peace and Development Council) do not want us to be free from drugs. They tell us to do away with drugs, but offer us no alternatives in return."

In the Wa areas of Shan State, opposition to the drug eradication policy remained so strong that international observers openly questioned whether such an unpopular policy could endure. Tom Kramer of the East-West Center in Washington, D.C., for one, argued persuasively that the ban was not sustainable among the Wa for many reasons: Poppy cultivation had been an essential part of their culture for over 100 years; the Wa lacked alternative sources of income; their homeland was remote and difficult to monitor; efforts to engage the Wa in community development had failed; education was lacking; and the ban was unpopular.

Indeed, United Wa State Party (UWSP) vice chairman

Xiao Minliang was moved to comment, “Frankly speaking, if you say to the farmers, ‘Raise your hands if you agree with the poppy ban,’ none of them will.” The surge in poppy production and opium prices in areas surrounding the impoverished Wa townships only served to cast further doubt on the sustainability of the ban on

Opium poppy growing areas in Shan State during 2002-2003 cultivation period



Wa poppy farming.

The past year also witnessed continuing reports on military corruption and complicity in the opium trade in Burma. Xavier Bouan of the UNODC went so far as to publicly state that in Burma "everyone is involved in the drug trade,

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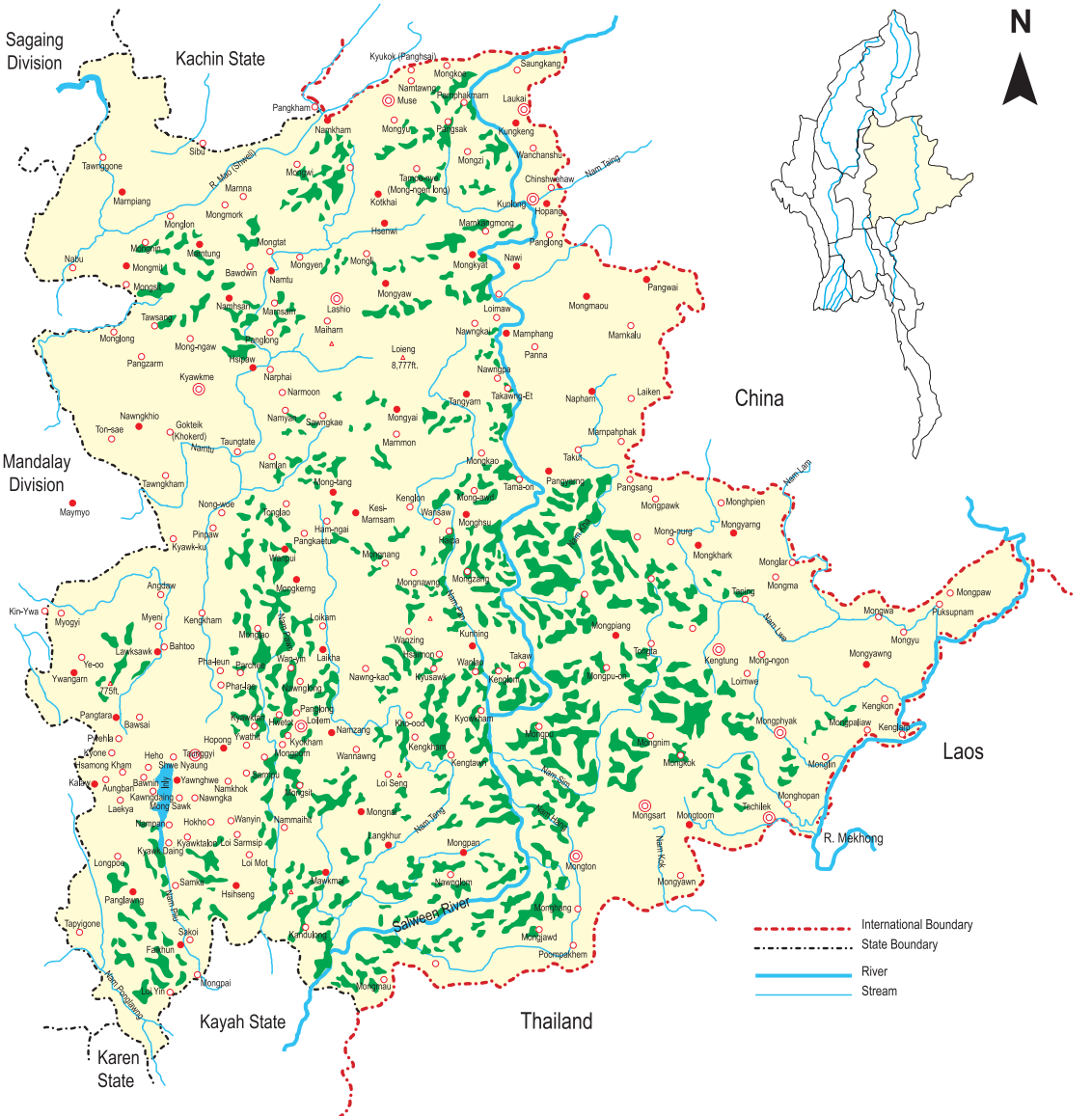
Opium poppy growing areas in Shan State during 2008-2009 cultivation period



Wa vow to hang on

According to a Shan Drug Watch interview on 18 April, 2009, the Wa are finding it increasingly difficult to return to poppy cultivation.

Photo : SHAN

Bao Youxiang,
Wa supreme leader

"Some Burma watchers may still think we are returning to poppy cultivation," said a Wa officer who requested anonymity. "They certainly have no idea that our continued survival depends almost totally on the goodwill of China. Under this circumstance, we have very little opportunity to lift the ban (imposed in 2005)."

"We are making relentless efforts to realize the ultimate goal of 'No poppy cultivation, No drug production, trade or abuse in Wa'," declared Bao Youxiang, supreme Wa leader, in his keynote address on the day marking the 20th anniversary of the founding of the United Wa State Army (UWSA), an event that was conducted with much pomp and fanfare.

Now with the growing tension with the Burma Army that has placed all its available troops around the Wa territory, continued Chinese goodwill appears to be the only way for the Wa to get out of the mess in one piece.

Indeed, alongside the motor roads inside the Wa domain, visitors no longer see poppy fields, in contrast to pre-2005 poppy seasons. Bao, in all likelihood, appears to be keeping his word given before the ban: "If any poppy plants are still seen after 2005, you can chop my head off."

At least one story seems to question the sustainability. A monk from the Thai-Burma border, during a visit to Panghsang last year, asked if they still were any poppy fields, to which a monk replied, "There are still a few and I can escort you there. Even the Wa police rarely go there. But the one closest is a two day walk from here." The source said he declined the offer. "To this day, I'm not still sure whether he was serious or just making a joke."

Nevertheless, the fire that broke out on 18 April, the day after the anniversary, had reportedly destroyed thousands of tons of teak logs, and also hundreds of barrels of pre-

Photo : SHAN

Fire in Panghsang, 18 April 2009

Wei Xuegang

cursor chemicals used in producing heroin such as Ether and Acetyl Anhydride (known as acid to the locals).

The site of the inferno reportedly belong to Wei Xuegang, a drug fugitive from Thailand and currently serving as the commander of the 171st Military region, opposite Thailand's Mae Hong Son, Chiang Mai and Chiang Rai provinces.

It remains to be seen what future Wei has with the UWSA. But it was he who had reportedly come to the rescue of the UWSA, during its early days, with B 40 million ($40,000) in cash when it was still struggling to survive following its mutiny on 17 April 1989 which toppled until-then-Beijing backed Communist Party of Burma (CPB). ❑

Want to pluck the moon? Try glue sniffing

Glue sniffing has been becoming a new phenomenon among youth in Shan State replacing other drugs, according to several sources.

In the northern Shan State capital Lashio, young people from all 12 quarters of the town are sniffing glue. University students as well as children as young as 15 years old are also using it, said a local source.

"There are tens of thousands of people sniffing it. Because it is better to use than Yaba, and the price is also cheaper than a pill of Yaba," he said.

The price of glue is between Kyat 200-300 per can and is not only easily available but is also legal and therefore can be purchased at any shops at a low cost. However, the price has now dramatically increased to Kyat 500- 600 as more people have come to use it, said the source.

"Each can is enough for about 4 people," said another source. "Some people use as many as about 4 cans a day."

Some people are using it as a substitute for warding off suffering, stress and hunger, according to a resident in Tachilek, eastern Shan State.

"After using it, the feeling is like being able to achieve anything in life, even plucking the moon from the sky," he said.

Users may feel sleepy after using it and slowly lose their consciousness sometimes leading to death, according to him.

"There are many people including students sleeping on the roads after using it. No one comes and arrests them."

Some students' families are worried their children will use it and are afraid such abuse will be on the rise.

People are using it in many ways depending on the appetite of the users. Some rub a pinch of it into a bag of plastic and sniff it while some people rub it in their hands and sniff. Another way is to burn the glue and sniff. ❑

Generals' offspring involved in drug scandal

While the rest of the world last year was in a state of shock by the news of devastation in lower Burma caused by Cyclone Nargis that left at least 130,000 dead and missing and millions homeless, the ruling generals were having a problem of their own.

Late in May 2008, two prominent businessmen were arrested by the authorities: Maung Weik, reputedly one of the richest man in Burma and Aung Zaw Ye Myint, owner of Yetagun construction company and son of the Lt-Gen Ye Myint, then chief of Bureau of Special Operations #1.

Maung Weik, according to an informed source in Rangoon, is "just a big hearted millionaire" who loved to use drugs for himself and "to entertain his friends", while Aung Zaw Ye Myint was a "transporter", whose vehicles were immune from inspection by government checkpoints.

One of their clients was none other than Nay Shwe Thwe Aung aka Po La Pyay aka Myauk Moo Ley, favorite grandson of Senior Gen Than Shwe. Furious with his grandson's involvement, the senior general had issued orders to launch an out-and-out crackdown, according to Mizzima and Irrawaddy.

Photo : Website

Maung Weik

The result was the arrest of six other associates of Maung Weik and Aung Zaw Ye Myint, one of whom was a Malaysian national.

To the surprise of many, while Maung Weik got a 15-year jail sentence, Aung Zaw Ye Myint managed to get away with being sent to the Wettikan drug rehabilitation center. He even managed to get back to his home long before the prison sentence was passed by the court for his erstwhile colleague in November. ❑

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including the government." Farmers from Loilem district alleged that the Burma Army commanders order the local farmers to grow poppies, which the army then taxed. This practice, common since the junta imposed a self-sufficiency policy on Army units in 1996, persisted through 2007 and early 2008. . Some of the more notorious military offenders include Light Infantry Battalions 553 and 554, which taxed poppy farmers in Mongtoom, a village tract in Monghsat township, and Infantry Battalion 245, which has been taxing farmers in Mongkeung Township.. According to one source, "many farmers are moving into Burma Army-controlled areas to grow opium, because the United Wa State Army, based in Sankarng and Khailong [opposite Thailand's Maehongson Province], have banned it this year."

Finally, international observers and local residents alike were expecting an even bigger opium haul from the upcoming 2008-09 planting sea-

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Naw Kham - Back in action

On 18 February 2009, a Chinese cargo ship on the Mekong was shot up and one of its crew members killed and at least three others wounded: The blame was placed on Naw Kham, 48, a former Mong Tai Army (MTA) officer, who has been running a protection racket in the Golden Triangle, where Burma, Laos and Thailand meet.

Naw Kham

Until 2007, the Burmese side of the Triangle was an operational area of the anti-Naypyitaw Shan State Army (SSA) "South". But during the year, the SSA was chased out by the Burma Army. The resultant vacuum was filled up by Naw Kham, who had become a pro-junta militia chief, and later went underground in 2006.

He first came to the attention of the media when a group of gunmen believed to be under his authority fired upon a Chinese patrol boat on 25 February 2008, wounding 3 Chinese officers.

Until the international uproar caused by the shooting in February, the Burma Army had bothered him very little, thereby lending credence to reports that he had been paying kickbacks to local authorities up to the regional command in Kengtung.

A protest by Beijing was believed to have led to the military campaign against him and his men the day after the incident. According to the sources, some 34 people suspected of having connections with him were detained together with an unspecified amount of drugs and cash.

However 4 months later, Naw Kham, who reportedly has homes in all three countries bordering the triangle, is still at large.

Sources have agreed that his untouchability had nothing to do with miracles but the undercurrent of resentment by people in downstream Mekong countries against China:

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Photo : Getty Images

Chinese patrol boat shot up by gunmen believed to be followers of Naw Kham, 25 February 2008

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◆ For the people on the Lao side of the Triangle, feelings against the Chinese were high after locals were moved out of their lands and homes following a contract with Vientiane to build a casino complex there

◆ For those on the Thai side, the feeling of exasperation was over the alleged Chinese monopoly over the use of water in the Mekong ("When the Chinese boats come down, there is water. But when our boats go up, there is no water," complained a Thai businessman from Chiangkhong, Chiangrai province)

Naturally, Naw Kham has been back in action in the area, after the Burma Army recalled its troops in preparation for the worst with the Wa ceasefire group, which has flatly rejected the ruling junta's demand to transform itself into a pro-junta border security force. ❑

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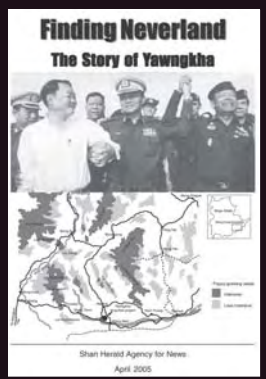
son. Two critical factors at work were the increased growing season and higher yields owing to better production techniques. As one Shan Drug Watch observer noted, "In a number of areas, we saw poppies being grown all year round, two crops in some places and three in others. So far as farmers there are concerned, the word 'poppy season' is rather meaningless now." In addition, ceasefire groups, militias, and the Burma Army expanded their production of crystal methamphetamine ("Ice") and amphetamine-type stimulants (ATS) through June of 2008. Efforts to develop alternatives to poppy farming income were roundly condemned as half-hearted, ill-conceived, and unsuccessful. The period from June 2007 to June 2008 represented a substantial step backward for Burma in its war on drugs and its efforts at gaining international legitimacy. Indeed, it was the worst of all possible results: Burma's drug trade was booming, military complicity was as bad as ever, and the local farmers were still suffering. ❑

Previous SHAN publications on the drug trade in Shan State available at www.shanland.org