

# Further insights into aspects of the EU illicit drugs market

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- **Study funded by the European Commission**
- Produced by a Consortium of Trimbos Institute, RAND Europe and Institute for Criminal Policy Research
- Project partners:
  - National Centre of Addictions for Bulgaria, Bulgaria
  - Centre of Addictology, Czech Republic
  - University of Rome 'Tor Vergata', Centre for Biostatistics and Bioinformatics, Italy
  - SICAD, Portugal
  - Faculty of Health and Society of Malmö University, Sweden

# Scope of presentation

1. Focus of the study
2. Approach
3. Overview of studies included
4. Some highlights:
  1. Size of the cannabis market
  2. Impact of OST on illicit heroin market
  3. Selected features of illicit drugs market

# 1. Focus of the study: divided over three main parts

- Assessing / analysing the EU drugs market from the demand side
- Analysing some characteristics and mechanisms of the EU illicit drugs market
- Effects of policy measures on the market and exploring future developments of the drugs market and drug policy

## 2. Approach

- For feasibility reasons we focused on
  - a sample of 7 EU Member States (Bulgaria, Czech Republic, Italy, the Netherlands, Portugal, Sweden and UK (England and Wales)).
  - 4 drugs: cannabis, cocaine, heroin and Amphetamine Type Stimulants (ATS)
- New analyses of existing data (EMCDDA, UNODC, national studies)

# 2. Approach

- Primary research in 7 sample Member States
  - web-based survey among recreational/irregular drug users
  - face-to-face interviews with problem users
- A survey using a Delphi method among drug experts to explore their views on key trends of the drugs market and drug policy in the EU in the coming years.
- Interviews with experts from several EU Member States (policy makers, researchers, producers of medicinal cannabis, etc.) to get a better picture of different aspects of the drugs market

# 3. Assessing the EU drugs market from the demand side

- Developing a typology of drug use/users based on frequency of use
- Analysing availability of drugs and buying behaviour
- Producing consumption estimates
  - assessing the size of the market
- Assessing the impact of OST (MMT) on the heroin market

# 3. Organisational aspects of the EU drugs market

- Looking into relationship between drug demand and supply factors by comparing the impact of increased provision of OST in Finland and Sweden
- Focusing on one element of the rules of the game in illicit drugs business: the way potential conflicts are managed in illegal markets (a case study of cocaine smuggling in the Netherlands)



# 3. Organisational aspects of the EU drugs market

- Investigating the relationships between different areas of illicit business and adaptations of criminal networks to changes in the field in which they operate.
- Analysing the costs of producing and distributing cannabis in the EU; documenting the costs involved in producing cannabis in different legal environments. On the basis of this information the report provides a discussion of the possible implications of alternative control regimes.

# 3. Policy effects on the market / future developments of policy and market

- Assessing the impact of policy changes on EU drug markets/drug users
  - Analysing the impact of decriminalisation of possession of small quantities for personal use in Portugal
  - Analysing the impact of recent changes in the Dutch cannabis coffee shop policy on cannabis users
- A survey among drug experts to explore their views on key trends of the drugs market and drug policy in the EU in the coming years.

## 4.1 Some highlights: size of cannabis market

- We estimate EU expenditures on cannabis to be approximately €7 to €10 billion for 2010
  - this does not account for 'consumption gap' associated with underreporting in GPS
- Prior estimates of the EU cannabis market ranged from €15 to €35 billion.

# 4.1 Size of cannabis market

- This difference arises from two key findings of this study:
  - Cannabis users who use more frequently also smoke more each time they use.
  - Occasional users are more likely to share than are frequent users; that still further reduces the amount they consume at each session.
  - This picture also seems to apply to amphetamine, ecstasy and cocaine use.
- Prior estimates multiplied the number of users by the average number of sessions per user and the average amount per session;
  - This results in overestimates of the quantity consumed as e.g. infrequent users are the vast majority of all users and they use much less per session as the result of sharing.

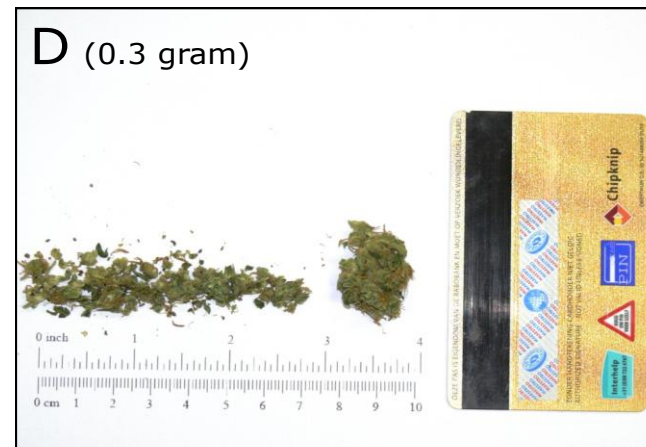
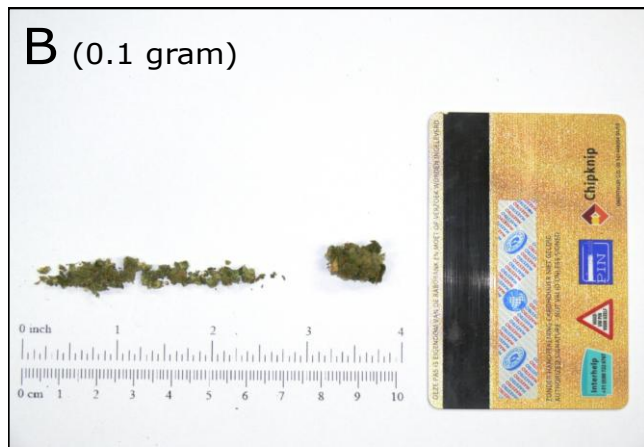
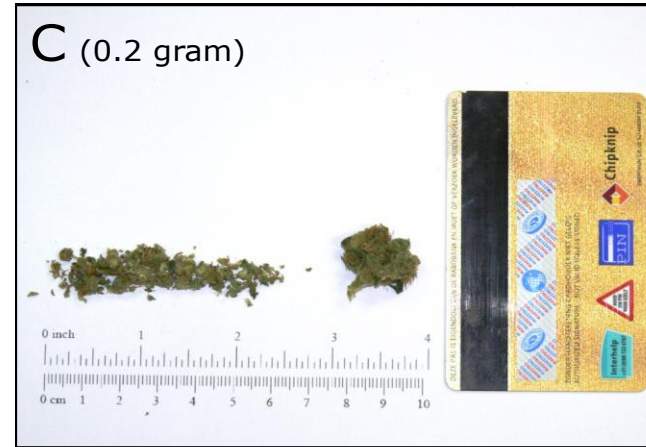
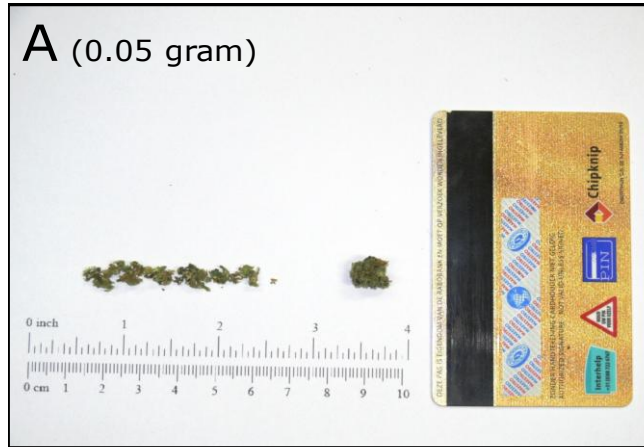
# 4.1 Size of cannabis market

- Our study also shows that intensive users are a small to modest fraction of cannabis users (between 5% and 25%), but are responsible for the bulk (between 55% and 77%) of the total amount of cannabis annually consumed in all countries.
- Infrequent users of cannabis, using less than once per month, form the largest group of past year cannabis users but account for 2 percent or less of the quantity consumed.

# 4.1 Size of cannabis market

- 'Past month users' do not consume (the same amounts) each month. Multiplying their consumption by twelve to obtain an annual estimate may result in an overestimation.
- Other studies seem to sometimes overstate the share of 'high consumption users' among past year.
- Finally, earlier studies have used higher estimates of amounts of cannabis used per unit compared to those we found in our study.

# One way to estimate consumption



## 4.2 Impact of OST on use of illicit heroin

- OST (MMT) reduces the frequency and intensity of illicit heroin use among treatment clients. On an individual level changes are equivalent to a 70 per cent reduction in the amount of pure heroin consumed while retained in MMT.
- Extrapolating these estimates across the four case study Member States considered, we conclude that retention in MMT may reduce total pure heroin consumption by around 30 per cent.



## 4.3 Analogy of illicit drugs market with licit markets

- The illicit drugs market is for an important part guided by the same laws of economics as licit markets
  - General 'economic laws' also shape the illicit drugs market (scaling up production, growing globalisation diversification of the market)
    - unintended consequences of drug policy
  - Development of an open European market seen as crucial element
  - Like in the legal market also in the illegal drugs market the majority of disputes/potential conflicts seem to be settled through negotiations.

## 4.3 Connections between licit and illicit markets

- Illicit and licit markets are interconnected as are processes and activities in ecosystems.
- Because polymorphous criminal networks are driven by profit, law enforcement and other interventions that put pressure on one market are likely to impact on others, as polymorphous criminal networks seek to replace their income and/or expand and diversify to improve resilience.

# 4.3 Key drug market trends

1. A relative growth of the market share of illicit 'synthetic' drugs (amphetamine type stimulants, etc.) compared to the market share of 'natural' drugs (heroin, cocaine and cannabis)
2. An increasing scale of (for example industrial) production of illicit drugs replacing small scale production
3. A growing globalisation of the supply of illicit drugs, i.e. cross-border organisation of production and trafficking in the EU
4. A growing diversification of illicit drugs / markets in the EU

*Analogy of the illicit drugs market with other markets: 2,3 and 4 general feature of economy*

## 4.3 Impact of economic crisis

- Experts expect economic crisis to have major impact on drugs market and on drug policy
  - increase of demand, rise of poly substance use
  - budget cuts might affect esp. demand and harm reduction
- Effects might be intensified by the rise of political conservatism in EU Member States, affecting social and health policies and supporting a tougher approach in drug policy
- Drug policy loses priority on political agenda

## 4.3 Evolving market trends

- Increasing importance of internet as means of drugs distribution
  - Websites (Silk Road) and fora ('psychonauts')
- Increase of poly substance use

# Thank you for your attention

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