

by former insurgents that are not under the effective control of the Rangoon government. According to some estimates, as many as 400 to 800 million methamphetamine tablets may be produced in Burma each year. Due to the mobile, small-scale nature of the methamphetamine production facilities both reliable data and effective law enforcement measures are difficult. Burma does not have a chemical industry, and as far as we know, does not produce any of the precursors for synthetic drugs. This highlights the regional character of this problem and the need for regional cooperation to put an end to drug flows from the region.

There are reliable reports that individual Burmese officials in outlying areas are involved in narcotics production or trafficking or offering protection for these activities. In addition, while the government says it urges former ethnic insurgents to curb narcotics production and trafficking in their self-administered areas along the Chinese border, it has only recently, with the support and assistance of China, begun to crack down hard on some of these groups. Since September 2001, it has begun to enforce pledges from these former insurgent groups to make their self-administered areas opium-free and has pressured groups (including the Wa and the Kokang Chinese) into issuing decrees outlawing narcotics production and trafficking in areas under their control. According to early reports from UNODC's opium surveyors, the cultivation in traditional growing areas has been reduced. However, the Wa have not committed to eliminating narcotics production until 2005. The Burmese junta gauges that any military operation to end production would be extremely costly.

In recent years, Burma continues to improve its cooperation with neighboring states, particularly China. In 2001, Burma signed memoranda of understanding on narcotics control with both China and Thailand. The MOU with China established a framework for joint operations, which in turn led to a series of arrests and renditions of major traffickers in 2001 and 2002, many of whom were captured in the former insurgents' self-administered areas. Over the past two years Burma has returned over 30 Chinese fugitives to China, including principals from one group that China described as "the largest armed drug-trafficking gang in the Golden Triangle." Burma's MOU with Thailand has committed both sides to closer police cooperation on narcotics control and to the establishment of three joint "narcotics suppression coordination stations" at major crossing points on the border. Recent visits by Thai Prime Minister Thaksin and other Thai officials to Rangoon made narcotics cooperation a centerpiece of bilateral relations. In addition, India participated in a January 2003 meeting with China and Burma in Rangoon on precursor control. As a result, India is now exploring the possibility of establishing a 100-mile wide "restricted area" within which any possession of ephedrine, acetic anhydride, or other drug precursors would be criminalized. If adopted by Thailand and China, such action could have a major impact on amphetamine production in areas not under Rangoon's effective control.

Burma is part of every major multilateral narcotics control program in the region. It is a party to the 1961 UN Single Convention, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. It has also announced that it will shortly adhere to the 1972 Protocol to the 1961 Single Convention. Burma has also supported UNODC's 1993 Memorandum of Understanding that was signed among the six regional states—Burma, China, Thailand, Laos, Vietnam, and Cambodia—to control narcotics production. Finally, as China and Thailand have become more active multilaterally, Burma has joined all trilateral and quadrilateral programs organized by either to coordinate counter-narcotics efforts among the four states of the Golden Triangle (Laos, Burma, China, and Thailand).

Under pressure from the Financial Action Task Force (FATF), the Government of Burma has taken action on money laundering issues. In June 2002 the GOB enacted a new money laundering law that criminalized money laundering in connection with most major offenses, including terrorism and