

# War is Good for Business and Organized Crime: Afghanistan's Multibillion Dollar Opium Trade. Rising Heroin Addiction in the US

By [Prof Michel Chossudovsky](#)

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Region: [Middle East & North Africa](#)

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In-depth Report: [AFGHANISTAN](#)

*In December 2019, the Washington Post released a reviews of The Afghanistan Papers. A series of interviews and documents "compiled in secret" and then the subject of a "legal challenge" from the US government. The [WaPo baldly called it](#): "A secret history of the war". But there's nothing here that's really secret, and very little actual history. What do they tell us? Absolutely nothing, except what we're supposed to believe." ( [Kit Knightly](#), December 20, 2019)*

*What is the unspoken "secret truth" which has not been featured in the Afghanistan Papers? The 2001 US-NATO invasion of Afghanistan sustains the surge in heroin and opioid addiction in the United States.*

*The following article (first published in December 2018) is brought to the attention of Global Research readers as a contribution to the June 26 2020 United Nations "global observance to raise awareness of the major problem that illicit drugs represent to society".*

Michel Chossudovsky, June 25, 2020

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*Afghanistan's opium economy is a multibillion dollar operation which has a direct impact on the surge of heroin addiction in the US.*

*Despite president Trump's announced US troop withdrawal, the Afghan opium trade continues to flourish. It is protected by US-NATO occupation forces on behalf of a nexus of powerful financial and criminal interests.*

Today a rough estimate based on US retail prices suggests that the global heroin market is above the 500 billion dollars mark. This multibillion dollar hike is the result of a significant increase in the volume of heroin transacted Worldwide coupled with a moderate increase in retail prices.

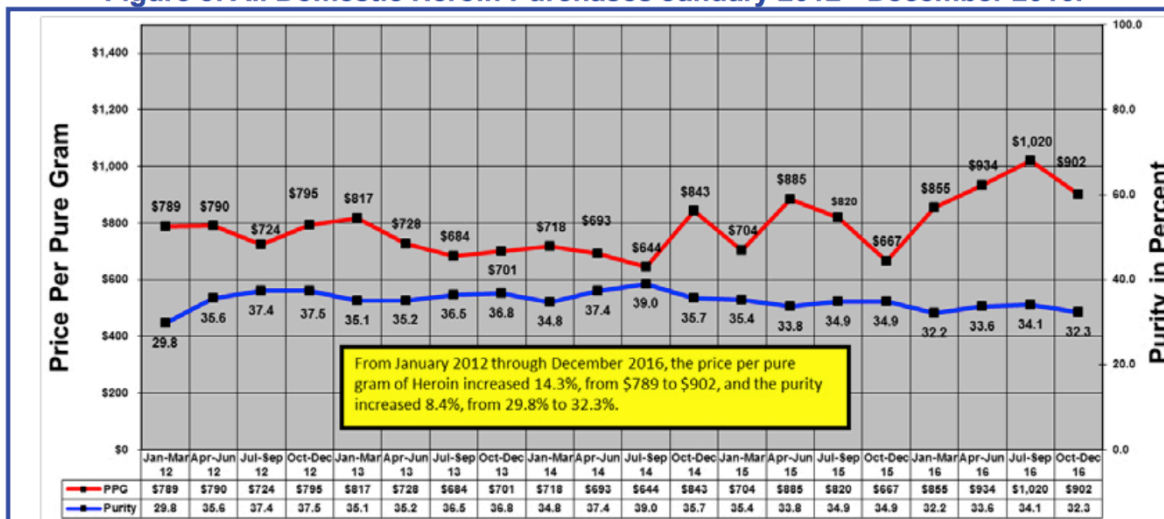
Based on the most recent (UNODC) data (2017) opium production in Afghanistan is of the order of 9000 metric tons, which after processing and transformation is equivalent to approximately 900,000 kg. of pure heroin.

With the surge in heroin addiction since 2001, the retail price of heroin has increased.

According to DEA intelligence, one gram of pure heroin was selling in December 2016 in the domestic US market for \$902 per gram.

The Heroin trade is colossal: one gram of pure heroin selling at \$902 is equivalent to almost a million US dollars a kilo (\$902,000) (see table below)

**Figure 3: All Domestic Heroin Purchases January 2012 - December 2016.**



**Note:** The “adjusted” price and purity figures plotted above are expressed as standardized values, in proportion to the overall distribution of seizures by amount purchased. Drug prices are quoted as “price per gram pure” (PPG) and should not be interpreted as the actual “street price” for each drug.

Source: DEA

Flash back to to 2000-2001.

In 2000, the Taliban government with the support of the United Nations implemented a successful drug eradication program, which was presented to the UN General Assembly on October 12, 2001, barely a week after on the onset of US-NATO invasion. Opium production had collapsed by 94 percent.

In 2001 opium production had collapsed to 185 tons down from 3300 tons in 2000. (see [Remarks on behalf of UNODC Executive Director at the UN General Assembly, Oct 2001](#), excerpt below)

Statement on behalf of  
Pino Arlacchi,  
Executive Director,  
to the  
Third Committee of the General Assembly  
  
New York  
12 October 2001

Mr. Chairman, Distinguished Delegates,

It will come as no surprise that Afghanistan occupies a central spot in our concerns. This is certainly the case with regard to international drug control. It is also true, at least indirectly, with regard to crime prevention.

Turning first to drug control, I had expected to concentrate my remarks on the implications of the Taliban's ban on opium poppy cultivation in areas under their control.

The ban was announced last July, prior to the October poppy-planting season. We now have the results of our annual ground survey of poppy cultivation in Afghanistan. This year's production is around one hundred eighty-five tons. This is down from the three thousand three hundred tons last year, a decrease of over ninety-four per cent. Compared to the record harvest of four thousand seven hundred tons two years ago, the decrease is well over ninety-seven per cent.

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### The US-NATO led War against Afghanistan served to Restore the Illicit Heroin trade

The Afghan government's drug eradication program was repealed. The 2001 war on Afghanistan served to restore as well as boost the multibillion dollar drug trade. It has also contributed to the surge in heroin addiction in the US.

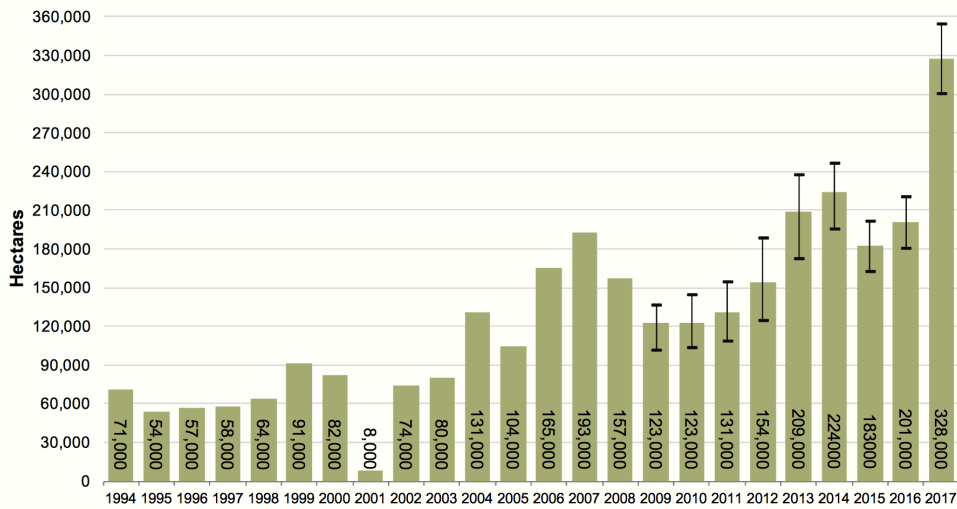
Opium production had declined by more than 90 per cent in 2001 as a result of the Taliban government's drug eradication program.

Immediately following the invasion (October 7, 2001) and the occupation of Afghanistan by US-NATO troops, the production of opium regained its historical levels.

In fact the surge in opium cultivation production coincided with the onslaught of the US-led military operation and the downfall of the Taliban regime. From October through December 2001, farmers started to replant poppy on an extensive basis." (see Michel Chossudovsky, op cit.)

[Since 2001, according to UNODC, the production of opium has increased 50 times.](#) (compared to 185 ton in 2001) reaching 9000 metric tons in 2017. It has almost tripled in relation to its historical levels. (See Figure 1 below)

**Figure 1: Opium poppy cultivation in Afghanistan, 1994-2017 (Hectares)**



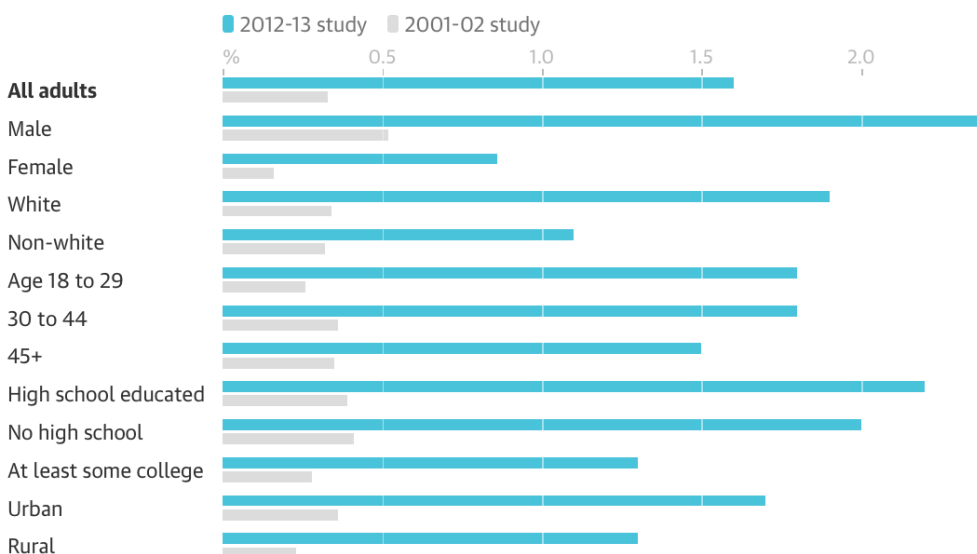
Sources: MCN/UNODC opium surveys 1994-2017. The vertical lines represent the upper and lower bounds of the 95% confidence interval.

### Heroin Addiction in the US

Since 2001, the use of heroin in the US has increased more than 20 times. Media reports rarely report how the dramatic increase in the global “supply of heroin” has contributed to “demand” at the retail level.

There were [189,000 heroin users](#) in the US in 2001, before the US-NATO invasion of Afghanistan. By 2012-13, there were 3.8 million heroin users in the US according to a study by Columbia University Mailman School of Public Health. Extrapolating the 2012-2013 figures (see graph below), one can reasonably confirm that the number of heroin users today (including addicts and casual users) is well in excess of four million.

### 3.8m Americans, 1.6% of the population, say they have used heroin at some point in their lives



Guardian graphic | Source: Columbia University Mailman school of public health

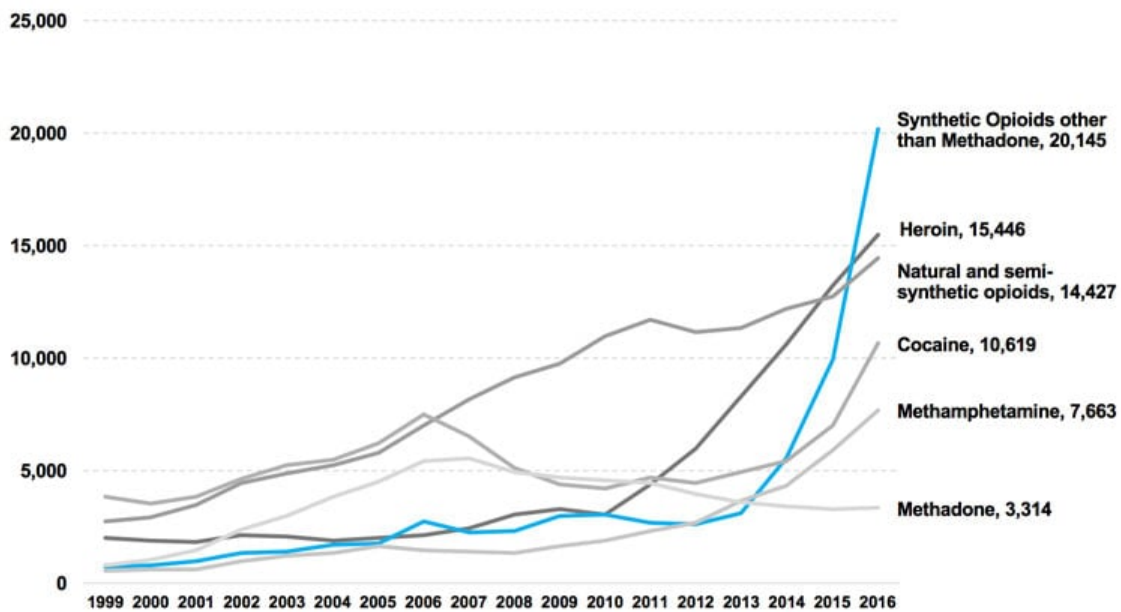
In 2001, 1,779 Americans were killed as a result of heroin overdose. By 2016, the number of Americans killed as a result of heroin addiction shot up to 15,446. (see graph below)

“My Administration is committed to fighting the drug epidemic” says Donald Trump.

Those lives would have been saved had the US and its NATO allies NOT invaded and occupied Afghanistan in 2001.

The first thing they did was to undermine the drug eradication program, restore the opium economy and the drug trade.

**Drugs Involved in U.S. Overdose Deaths, 2000 to 2016**



Source: [National Institute of Drug Abuse](#)

Opium production has increased 50 times in relation to 2001 (following the Afghan government’s drug eradication program). In 2001, the areas of opium cultivation had fallen to 8000 hectares (185 metric tons of opium).

According to the UNODC, Afghanistan produces (2007) 93% of the illegal “non-pharmaceutical-grade opiates” namely heroin.



MARJAH, Helmand province, Islamic Republic of Afghanistan – Corporal Mark Hickok, a 23-year-old combat engineer from North Olmstead, Ohio, patrols through a field during a clearing mission April 9. Marines with Company B, 1st Tank Battalion, learned basic route clearance techniques from engineers like Hickok, who are deployed with 1st Combat Engineer Battalion. (U.S. Marine Corps photo by Cpl. John M. McCall)

The [2017 Afghanistan Opium Survey](#) (released in May 2018) by UNODC confirms that the farm areas allocated to opium are of the order of 328,000 hectares with opium production in excess of 9,000 tons.

War is good for business. It contributed to spearheading heroin use. The Afghan opium economy feeds into a lucrative trade in narcotics and money laundering.

It is worth noting that in 2010 UNODC modified the concepts and figures on opium sales and heroin production, as outlined by the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA).

“UNODC estimates that a large proportion of the Afghan opium harvest is not processed into heroin or morphine” (UNODC, 2010a). ...[EU drug markets report: a strategic analysis](#), EMCDDA, Lisbon, January 2013 emphasis added.

What this new methodology has done is to obfuscate the size and criminal nature of the Afghan drug trade, intimating –without evidence– that up to 20% of Afghan opium is no longer channeled towards the illegal heroin market.

More than Half a Trillion Dollars

The profits are largely reaped at the level of the international wholesale and retail markets of heroin as well as in the process of money laundering in Western banking institutions, an issue which is not addressed by the Vienna based UNODC.

The global monetary value of the heroin market (which is protected by powerful groups) is

colossal.

## Estimation

The retail price of heroin (sold by the gram) can vary dramatically from one country to another, it also depends on the percentage of pure heroin. This does not facilitate the process of estimating the monetary value of the global trade in heroin.

Recorded retail street prices for heroin with a low level of purity must be converted to a dollar value which corresponds to pure heroin.

What is sold at the street level usually has a low percentage of pure heroin. The process of estimation requires transforming the street level prices into what the DEA calls heroin price per gram pure (PPG)

From one ton of opium you can produce 100 kilos of pure heroin. The US retail prices for heroin (with a low level of purity) was, according to UNODC (2012) of the order of \$172 a gram (namely \$17,200 per kilo)

The estimated price per gram of pure heroin, however, is substantially higher.

In December 2016, the heroin price per gram pure (PPG) was of the order of [\\$902 in the US, according to DEA intelligence](#) ie. \$902,000 a kilo.

## Heroin Prices in the UK

In the UK which is the entry point of Afghan heroin into the EU market, the recorded retail price (according to a 2015 estimate quoted by the Guardian) is consistent with that estimated for the US market by the DEA:

“An imported kilo [of heroin] cut at 25% street purity provides enough raw material for 16,000 individual deals at £10 a hit – pushing the takings to £160,000 [a kilo] ([The Guardian](#), December 20, 2015)

GBP160,000 (25% purity) converts into GBP 640,000 per kilo for pure heroin, ie. approximately US\$960,000 per kilo (December 2015 GBP USD exchange rate).

## Rough Estimate of the Monetary Value of Afghanistan’s Global Heroin Market

According to the UNODC, 7600-7900 tons of opium were available for heroin production and export (out of a total of 9000-9300 metric tons). According to the UNODC, approximately half of the opium is processed into heroin within Afghanistan.

The global monetary value for heroin can be roughly estimated using the US price equivalent PPG measurement for pure heroin of US 902,000 a kg. (December 2016, DEA) and the (lower) production figure of 790,000 kg of pure heroin (estimated by the UNODC).

Using the US retail price equivalent of pure heroin (DEA), the global monetary value generated by the Afghan heroin trade (2017) is of the order of \$712,580,000,000 (712.58 billion dollars), an amount equivalent to the US defense budget.

This is a conservative estimate based on adopting the “lower figure” of 7900 metric tons

(2017) (recommended by the UNODC methodology which is arbitrary and questionable, see above).

If we had based the calculation on the total production of opium which is in excess of 9000 metric tons (2017), the global monetary value of the heroin market would have been in excess of \$800 billion. It should also be mentioned that this estimate relies solely on the the US price for pure heroin (DEA).

Back in August 2018, President Trump signed the 2019 National Defense Authorization Act “which authorizes a top-line [defense] budget of \$717 billion”, just a few million dollars in excess of the estimated global monetary value of the Afghan heroin market.

The global monetary value of the heroin market is of the same order of magnitude as the defense budget of the USA.

Needless to say, the Pentagon not to mention the CIA which launched the opium economy in Afghanistan in the late 1970s are intent upon protecting this multibillion dollar industry. The proceeds of the Afghan drug trade were initially used to finance the recruitment of Al Qaeda Mujahideen mercenaries to fight in the Soviet-Afghan war.

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Michel Chossudovsky is an award-winning author, Professor of Economics (emeritus) at the University of Ottawa, Founder and Director of the Centre for Research on Globalization (CRG), Montreal, Editor of Global Research. He has taught as visiting professor in Western Europe, Southeast Asia, the Pacific and Latin America. He has served as economic adviser to governments of developing countries and has acted as a consultant for several international organizations. He is the author of 13 books. He is a contributor to the Encyclopaedia Britannica. His writings have been published in more than twenty languages. In 2014, he was awarded the Gold Medal for Merit of the Republic of Serbia for his writings on NATO's war of aggression against Yugoslavia. He can be reached at [crgeditor@yahoo.com](mailto:crgeditor@yahoo.com)



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