

Increasing narcotics smuggling risk for ships during Covid-19 as planes are grounded, says Skuld

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Ruby Hassan, Senior Claims Executive at Norway based marine insurer and mutual Skuld, has noted that the recently released World Drug Report 2020 from the United Nations Office on Drugs and Crime (UNODC) revealed that the trafficking of drugs by air had been impacted to varying degrees by the restrictions of movement and the closure of borders to prevent the spread of Covid-19.

Due to the restrictions imposed on air travel, the biggest impact on drug trafficking could thus be expected to have been in countries where a large proportion of drugs was previously trafficked by air. Although Covid-19 had caused disruptions in global supply chains, cocaine smuggling had thrived with the increased use of commercial shipping/ There had been a growth in shipment sizes and the organised criminal gangs (OGCs) behind them had become more inventive, Hassan said.

Drug trafficking trends

Colombia, Peru, and Bolivia continued to be the world's top three producers of cocaine. The 2021 International Narcotics Control Strategy Report revealed that Colombia was the largest producer and supplies the most cocaine to North America and Europe. The second largest producer was Peru. Bolivia was the third largest producer. It was also a transit country for cocaine from Peru. Factors that contribute to the extent of drug trafficking are the capacity of law enforcement to control trafficking, corruption in government bodies, strategic location, population density, and characteristics of the coastline.

The two largest markets in the world are North America and Europe. Consumption in North America has remained high in the last decade, fuelled by cocaine primarily from Colombia. Of the cocaine seized in the US in 2020, 89% was from Colombia. Its journey primarily utilizes two routes: the Eastern Pacific Vector and the Western Caribbean Vector.

The UNODC has reported an increase in drug trafficking from Colombia by sea and a decrease in cocaine trafficking by land. Relatively recent large seizures of

cocaine made in European ports demonstrated that the trafficking of large shipments of cocaine was ongoing. This is also reflected by the uptick on the number of incidents involving smuggling by sea via the Eastern Pacific Vector, which made up about 70% of cocaine movement. The route facilitated cocaine into Mexican ports that originated at ports in Colombia and Ecuador.

The UNODC's seizure data indicated that most of the cocaine available in European drug markets had been smuggled to Europe by sea, primarily in maritime container shipments entering at major container ports such as Antwerp, Rotterdam, Hamburg and Valencia. UNODC noted in the 2020 report that a reduction in air traffic to Europe resulting from the COVID-19 restrictions would likely lead to an increase in direct cocaine shipments by sea from South America to Europe and increased shipments of cocaine to North America via Mexico.

Hassan said that the economic downturn caused by Covid-19 had the potential to lead to a lasting transformation of the drug markets. The economic difficulties caused by the pandemic could affect people who were already in a position of socioeconomic disadvantage. This could lead to an increase in the number of people resorting to illicit activities linked to drugs to make a living and/or being recruited into drug trafficking organizations. Based on the experience of the economic crisis of 2008, it was fair to assume that the economic downturn might lead to reductions in drug-related budgets among governments, and an overall increase in drug use, said Hassan. Conversely, the economic crisis caused by the pandemic was also increasing food insecurity in Central and South America, which could lead to another increase in cocaine production in the coming years.

Ports of concern

Risk Intelligence documented that port operations in Central America, South America, and the Caribbean regions should be subject to rigorous precautionary measures and vigilance. Generally, larger ports were attractive transit points for smugglers because of the quick movement of products. Therefore, smuggling volume was roughly proportional with the size of the port. However, Colombia, Ecuador, Peru, Mexico, Brazil, and Venezuela were considered particularly high-risk countries for the transit of cocaine. Whereby the Western Caribbean Vector is a particular route of concern from Barranquilla, Colombia to Altamira, Mexico where cocaine had been seized along this route in bulk carriers.

Potential implications for vessel owners, operators, and crew

When narcotics are discovered onboard, the consequences can rapidly escalate and become severe for both the vessel owner and crew, said Skuld.

There might be resulting delays due to ongoing investigations by the authorities, which might take time and lead to the loss of hire and consequential claims from cargo interests. The vessel might also be detained by the authorities, sometimes for an undefined period, with potential arrest and/or disembarkation of the crew for

questioning and shore detention in prison if the crew was suspected to be complicit. A substantial fine could also be imposed and/or the vessel might be threatened with confiscation.

Vessel owners and operators were recommended to co-operate fully with any authority carrying out such investigation(s) irrespective of the jurisdiction.

It was also recommended that that clearly worded provisions were incorporated into the charterparties and bills of lading to ensure that disputes did not result from contractual ambiguities.

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