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Protecting People & Profits  
Through Education

## More seizures at the border may increase profits for P dealers

The success of recent border interdictions of pseudoephedrine announced by Prime Minister John Key is pleasing but according to MethCon Group director Mike Sabin is also a double edged sword.

“It is pleasing to see improved interception capability and focus at the boarder, as much of the supply of New Zealand’s hungry appetite for P is being furnished by suppliers of the key precursor being shipped from China” said Mr. Sabin, “but the seizure levels also reflect a growing escalation of importation of this product over the past five years”

“Between 2004 and 2008 seizures have gone from on average of one per day to five and over this time Customs seized over 1750 kg of Chinese pseudoephedrine called Contac NT, which would be enough to have made around over half a tonne of P, with 2009 likely to be the worst year yet” said Mr. Sabin.

“While I commend the new strategies and focus on the illegal diversion of pseudoephedrine both domestically and through trans-national shipment, the question that needs to be asked is whether the dramatic increases in seizures in recent years and indeed in October and November this year, reflects the fact that we are seizing more or simply that much more is coming in?” Said Mr. Sabin.

“Typically, Customs and law enforcement estimate they seize about 10 – 20 percent of what is coming through and while it is clear that added focus at the boarder will bring more success, it would be naive to assume that success would get close to even doubling that amount, let alone getting more than half of what is being smuggled in” claimed Mr. Sabin.

“The issue then arises that some of the supply chain is broken, but not enough to stifle the market demand, which results in pushing the price up and in turn incentivises other suppliers to enter the market or increase their shipments, knowing that more will be intercepted, but the added profit margins will make up this ground” said Mr. Sabin.

“The only meaningful way to address what amounts to ‘massaging’ the market dynamics, is to ensure that demand is driven down at the same time and rate as the supply is being disrupted, something ignored at our peril”

Mr. Sabin, who has researched demand and supply-side initiatives and their efficacy on the global stage, has presented recommendations and strategies to this, and the

previous government and strongly advocates achieving the balance between *preventing drug use, healing current drug users, while disrupting the supply.*

“The concern I have is that there is not a country in the world that has got on top of its methamphetamine problem without making a significant investment in reducing demand through prevention strategies combined with ready access to abstinence based treatment” claimed Mr. Sabin

“The price of P, its purity and availability are the primary indicators of success with strategies, but these need to be measured across years, not weeks or months as the market conditions and price will always fluctuate, like any other retail produce such as vegetables, milk powder or oil, and we should never forget that the biggest driver of market conditions is demand” said Mr. Sabin.

“While the new government strategy on P has some excellent advancements in the supply-side, there has been no change in approach from the previous nine years with regard to demand reduction and prevention, which in my view will see demand continue unabated, something suppliers of P and its precursors will continue to feed of and profit from”

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(NZ's only specialist methamphetamine education providers)

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