



# INDIC RESEARCHERS FORUM

Civilisation • Security • Statesmanship



# COUNTERING NARCO-TERRORISM

THE GLOBAL NEXUS OF DRUGS, FINANCE & TERROR

INTERNATIONAL CONFERENCE REPORT  
& STRATEGIC THREAT ASSESSMENT

INDIC RESEARCHERS FORUM  
in partnership with AVELLON INTELLIGENCE

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## Document Control & Handling

<b>Title</b>	Countering Narco-Terrorism: The Global Nexus of Drugs, Finance & Terror
<b>Document type</b>	International Conference Report & Strategic Threat Assessment
<b>Originator</b>	Indic Researchers Forum (IRF), in partnership with Avellon Intelligence
<b>Event</b>	International Conference on Countering Narco-Terrorism, convened online, 10–11 April 2026
<b>Classification</b>	Restricted: for official and research use; not for onward distribution without IRF consent
<b>Handling</b>	Contains analytical assessments and named-source attributions; circulate on a need-to-know basis
<b>Compiled by</b>	Research Team, Indic Researchers Forum
<b>Date of issue</b>	June 2026

**Analytic confidence note.** This report records the proceedings of a multi-national expert conference and adds structured analytic judgements, threat matrices and infographics prepared by the IRF Research Team. Figures drawn from speakers' remarks are reproduced as cited and labelled approximate. Analytic graphics marked "IRF assessment" are heuristic syntheses meant for orientation, not quantitative measurement. The views expressed by speakers are personal and do not necessarily reflect those of the Indic Researchers Forum.

*"Where drugs flow, instability follows. In the fight against narco-terrorism, neutrality is not an option, and delay is a luxury we cannot afford."*

*— Dr. Harjit Sandhu, Inaugural Address*

The contents of this event report are based on the deliberations during the **International Conference on Countering Narco-Terrorism**, organised by the Indic Researchers Forum in partnership with Avellon Intelligence on 10–11 April 2026. The views expressed were personal and are the sole responsibility of the speaker(s). All reporting takes the form of summaries of the speakers' remarks. It does not necessarily reflect the views of the Indic Researchers Forum.

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## How to Read This Report

This report serves both the reader who wants a rapid strategic overview and the analyst who needs depth. It opens with front matter: an institutional introduction, a profile of the conference and its partners, biographies of the delegates, an executive summary, a strategic threat assessment, and a list of abbreviations. The body then records each of the seven sessions in turn, speaker by speaker.

Several recurring devices run throughout. Numbered thematic sub-headings under each speaker capture the principal lines of their argument. Boxed elements carry distinct functions, signalled by their styling:

### **BLUF** Bottom Line Up Front

Gold-headed boxes labelled "BLUF" or "ASSESSMENT" carry the IRF Research Team's distilled analytic judgement: the single most important conclusion of a section, stated first.

### **KEY TAKEAWAYS**

- ▶ Dark-headed "Key Takeaways" boxes close each session with its essential points in brief.
- ▶ Shaded pull-quotes reproduce a speaker's most arresting formulation verbatim.
- ▶ Figures (charts, matrices, schematics and maps) are numbered in sequence and captioned with their source.

Graphics fall into two families. Data graphics reproduce figures cited by speakers and are labelled approximate where the underlying source was an oral remark. Analytic graphics (threat matrices, risk registers, capability radars and network schematics) are marked as IRF assessments: heuristic instruments for organising judgement, not precise measurements. Readers pressed for time can rely on the Executive Summary, the Strategic Threat Assessment, the per-session Key Takeaways and the concluding Key Recommendations. The full session write-ups preserve the texture and attribution of the original testimony.

# Contents

## *International Conference on Countering Narco-Terrorism*

About the Indic Researchers Forum	6
About the Conference & Partners	7
Distinguished Delegates	9
Speakers at a Glance	15
Executive Summary	17
Strategic Threat Assessment	19
Reading the Numbers: The Global Picture	22
Abbreviations	26
<b>Inaugural Session: Setting the Frame</b>	<b>28</b>
<b>Session 1: The Golden Crescent</b>	<b>32</b>
<b>Session 2: The Andean Cocaine Complex</b>	<b>43</b>
<b>Session 3: Mexico</b>	<b>49</b>
<b>Session 4: The Golden Triangle</b>	<b>57</b>
<b>Session 5: Emerging Narcotics Challenges in India</b>	<b>64</b>
<b>Session 6: Combating Narcotics Terror</b>	<b>70</b>
<b>Thematic Analysis: Cross-Cutting Deep-Dives</b>	<b>80</b>
<b>Synthesis: Cross-Cutting Analysis &amp; Conclusion</b>	<b>85</b>
<b>Key Recommendations</b>	<b>88</b>
<b>Vote of Thanks</b>	<b>92</b>
<b>Annex A: Methodology &amp; Analytic Standards</b>	<b>93</b>
<b>Annex B: Trafficking Routes &amp; Theatres at a Glance</b>	<b>95</b>
<b>Annex C: Indicators &amp; Warnings Watchlist</b>	<b>97</b>
<b>Annex D: Theatre Dossiers</b>	<b>99</b>

## About the Indic Researchers Forum

Established in 2021, the Indic Researchers Forum (IRF) is an independent think tank dedicated to advancing research, policy discourse, and strategic thought at the intersection of national security, geopolitics, strategic technologies, and civilisational studies. Guided by the foundational principles of Civilisation, Security, and Statesmanship, IRF seeks to contribute to the development of a robust intellectual ecosystem capable of addressing the complex strategic challenges of the twenty-first century.

IRF adopts an interdisciplinary approach that integrates strategic studies, defence and security affairs, emerging technologies, intelligence studies, economic statecraft, and geopolitical analysis through the lens of India's civilisational experience and strategic interests. The Forum's research agenda spans critical domains including defence and military affairs, artificial intelligence and national security, cybersecurity, intelligence and internal security, counter-terrorism, border security, strategic technologies, energy security, and regional and global geopolitics.

With a strong emphasis on artificial intelligence, emerging technologies, and strategic innovation, the Indic Researchers Forum is committed to building India's intellectual and institutional capacity for the future of national security and statecraft.

The International Conference on Countering Narco-Terrorism, convened on 10–11 April 2026, sits squarely within this mandate. Across two days and seven sessions, the Forum assembled former intelligence chiefs, serving and retired military commanders, diplomats, prosecutors, financial-crime specialists, a reformed cartel insider, and bereaved families, from India, Afghanistan, the United States, Mexico, Paraguay, Venezuela, Greece, Germany and beyond, to examine the evolving nexus between global drug cartels, money-laundering networks and terror-financing systems, and to explore collaborative strategies to disrupt them.

### Research Focus Areas

Indic Researchers Forum conducts research at the intersection of national security, strategic technologies, and geopolitical competition. Our research portfolio encompasses defence and military affairs, intelligence and internal security, geopolitics and statecraft, trade and energy security, and emerging technologies. A key area of focus is the application of artificial intelligence and advanced technologies to contemporary security challenges, including counter-terrorism, border security, cyber operations, strategic intelligence, and defence innovation.

### Purpose of This Report

This document is more than a record of proceedings. It is intended as a working reference for policymakers, practitioners and researchers: a single volume that preserves the distinct expertise of each speaker, synthesises their testimony into structured analytic judgements, and visualises the underlying patterns through purpose-built infographics, threat matrices and risk assessments. It closes with cross-cutting conclusions, attributed recommendations and a set of analytic annexes, a methodology note, a theatre-by-theatre route guide, and an indicators-and-warnings watchlist, designed to make the conference's insights actionable.

## About the Conference & Partners

The global narcotics trade has become one of the most powerful drivers of transnational crime, increasingly intersecting with terrorism, organised criminal networks and illicit financial systems. Across the Golden Crescent, the Golden Triangle and Latin America, powerful cartels generate hundreds of billions of dollars annually through the production, trafficking and distribution of narcotics. These revenues sustain money-laundering, organised crime and terror-financing networks, enabling extremist groups and criminal syndicates to expand their influence across borders.

In response, the Indic Researchers Forum, in partnership with Avellon Intelligence, convened the International Conference on Countering Narco-Terrorism online on 10–11 April 2026. The conference brought together policymakers, law-enforcement officials, counter-narcotics experts, financial investigators and strategic scholars to examine the evolving nexus between global drug cartels, money-laundering networks and terror-financing systems, and to explore collaborative strategies to disrupt narcotics-driven criminal networks and strengthen international cooperation against transnational organised crime.

### The Conference at a Glance



**Figure 1.** *The conference at a glance: two days, seven sessions, more than thirty-five speakers from nine countries, addressing six principal threat theatres.*

Avellon Intelligence is a geopolitical-risk and strategic-intelligence company based in New Delhi that builds advanced analytics platforms for governments and large enterprises operating in high-risk environments. Its partnership with IRF reflected the conference's central conviction, echoed by speaker after speaker, that the narco-terror threat can only be met where rigorous open-source and financial analysis is fused with operational and policy expertise.

### Structure of the Conference

The programme was organised geographically and functionally. After an inaugural session that framed narco-terrorism as a national-security threat, the first three sessions traced the world's principal production theatres: the Golden Crescent, the Andean cocaine complex and Mexico's synthetic-drug revolution. The fourth turned to the Golden Triangle and its spillover into India's North-East; the fifth examined India's own emerging vulnerabilities; and the sixth drew the threads together into global strategies for intelligence, financial disruption and international cooperation. This report follows the same sequence.

*We gather today not to discuss a problem, but to confront a threat that challenges the very foundations of global security.*

— Dr. Harjit Sandhu, Inaugural Address

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## Distinguished Delegates

The conference brought together a cross-section of practitioners who have confronted the narco-terror nexus from inside government, the military, the courts, the financial system and, in one case, from inside the cartels themselves. Brief profiles of the principal speakers follow, in order of appearance.

### **Dr. Nanda Kishor M S**

*Associate Professor & Head, Department of Politics and International Studies, Pondicherry University*

Dr. Nanda Kishor chaired and moderated the inaugural session. Formerly Head of the Department of Geopolitics and International Relations at the Manipal Academy of Higher Education, his expertise spans the geopolitics of West Asia, India's foreign policy, the concepts of war and peace, terrorism and asymmetric conflict. His book *Reimagining India in the Geopolitics of the 21st Century* has been critically acclaimed, and he currently leads an ICSSR-sponsored research project.

### **Dr. Harjit Sandhu**

*Former UNSC Expert; Former DIG (Counter-insurgency), Manipur*

A senior Indian Police Service officer, Dr. Sandhu served as a police chief in insurgency-affected districts of Manipur and commanded a Manipur Rifles battalion before handling high-profile investigations with the CBI. Internationally, he held senior roles with INTERPOL, the UN Security Council, UN tribunals and the World Food Programme. As coordinator and spokesperson for a UNSC panel of experts, he led teams monitoring sanctions and arms trafficking, and co-authored a report on hawala and money laundering with the U.S. Treasury's FinCEN. He is a recipient of the President's Police Medal.

### **Taranjit Singh Sandhu**

*Hon'ble Lieutenant Governor of Delhi; Former Ambassador of India to the United States*

A former Indian Foreign Service officer with a diplomatic career spanning more than three decades, Taranjit Singh Sandhu served as India's Ambassador to the United States, where he worked to strengthen the India-US strategic partnership across defence, technology and economic cooperation. He has also served as High Commissioner to Sri Lanka and in assignments at India's Permanent Mission to the United Nations and in Frankfurt and New York.

### **Lt Gen Syed Ata Hasnain**

*Hon'ble Governor of Bihar; Former GOC 15 Corps*

A retired Lieutenant General with a four-decade career in the Indian Army, Lt Gen Hasnain served in Jammu & Kashmir, Siachen, the North-East and in UN missions in Mozambique and Rwanda. He held senior appointments including GOC 15 Corps (Srinagar), GOC 21 Corps and Military Secretary, and is regarded as an authority on Kashmir, Pakistan and transnational security. Post-retirement he has served as Chancellor of the Central University of Kashmir and as a member of the NDMA.

### **Yashovardhan Azad**

*Former Special Director, Intelligence Bureau; Former Secretary (Security)*

A career intelligence officer, Yashovardhan Azad served as Special Director of the Intelligence Bureau and as Secretary (Security) and Central Information Commissioner. He brings experience of intelligence operations, internal security and counter-terrorism, and chaired the conference's first session on the Golden Crescent.

**Dr. Arian Sharifi**

*Former Director General, National Threat Assessment, Islamic Republic of Afghanistan*

Dr. Sharifi served as Director General of National Threat Assessment in Afghanistan's Office of the National Security Council and as senior adviser to the Foreign Minister, contributing to national-security and counter-terrorism strategies. He has worked with the Combating Terrorism Center at West Point and research institutes in Singapore, focusing on security, terrorism and transnational crime in Central and South Asia.

**Masoom Stanekzai**

*Former Chief, National Directorate of Security; Former Acting Defence Minister, Afghanistan*

Mohammad Masoom Stanekzai served as Chief of the National Directorate of Security, Acting Minister of Defence, Minister of Telecommunications, and as Afghanistan's chief peace negotiator. With over 35 years' experience in security, development and humanitarian affairs, he holds degrees from Cambridge and Princeton and is an honorary fellow at the University of Melbourne.

**Maj Gen Rajan Kochhar**

*Former MGAOC, Central Command*

A retired officer of the Army Ordnance Corps with over 37 years' service, Maj Gen Kochhar held logistics and command roles in Jammu & Kashmir and the North-East. He is a defence analyst, author and TEDx speaker, and holds a doctorate in Emotional Intelligence. He is a strategic adviser to many prominent institutions and Think Tanks including Indic Researchers Forum.

**Shahmahmood Miakhel**

*Former Governor of Nangarhar; Former Acting Defence Minister, Afghanistan*

Shahmahmood Miakhel held several senior positions in Afghanistan, including Governor of Nangarhar, Deputy Minister of Interior for Local Governance, and First Deputy and Acting Minister of Defence. He previously led the United States Institute of Peace office in Afghanistan and has written extensively on governance and the illicit economy.

**Ajmal Sohail**

*Co-Founder & Co-President, Counter Narco-Terrorism Alliance, Germany*

An Afghan political economist, intelligence analyst and counter-terrorism expert, Ajmal Sohail leads intelligence and security initiatives at the Counter Narco-Terrorism Alliance in Germany. A former economic adviser to the Vice Presidency of Afghanistan, he holds degrees in terrorism and extremism studies from Leiden University and has authored three books on liberalism and capitalism. His analysis of Golden Crescent trafficking networks featured in the conference's first session.

**Dr. John Nomikos**

*Director, Research Institute for European & American Studies (RIEAS), Greece*

Dr. Nomikos is Chairman of the European Intelligence Academy and Director of RIEAS. An intelligence-studies expert, he specialises in transatlantic intelligence and security, has led EU counter-terrorism projects, and chaired the conference's session on the Andean cocaine complex.

**Leonardo Silva**

*Former DEA Resident Agent in Charge; Author*

A former senior DEA official with decades of experience against transnational cartels, Leonardo Silva served as Resident Agent in Charge in Monterrey, Mexico, and is the author of *Reign of Terror* and *El Dorado de Terror*. He writes on organised crime, leadership and the human cost of the drug war.

## **Armando Johan Abdola**

*Chairman & Founder, IOSI Global; Former Chief of Counter-Narcotics, Venezuela*

A Canadian security and law-enforcement professional with over 35 years' experience, Armando Johan Abdola served as Chief of Counter-Narcotics in Venezuela before fleeing to Canada as a refugee in 1997. He has since investigated the convergence of drug cartels, criminal organisations and terrorist groups across Latin America and the Caribbean, and is a frequent commentator on global security.

## **Maj. Namrata Dhasmana**

*Author; Chief Strategist, Centre of International Futures*

An IIM Lucknow alumna and Indian Army veteran, Maj. Dhasmana is the founder of the Centre of International Futures and author of *Underworld Tyranny: The Traffickers' Reign Unveiled*, a global study of how drug, wildlife and human trafficking networks challenge sovereign authority. She provides strategic intelligence on trade disruptions, modern warfare and national resilience.

## **Dr. Barry Zulauf**

*Professor of Applied Intelligence, Georgetown University*

Dr. Zulauf is a retired U.S. intelligence-community executive with over 40 years' service across law-enforcement and defence counter-narcotics, latterly as a Deputy Chief of Intelligence at the DEA. He teaches applied intelligence at Georgetown and writes on analysis standards, national security and policy.

## **Margarito "Jay" Flores**

*Former Drug Kingpin; Founder & CEO, Kingpin to Educator LLC*

With his twin brother, Margarito Flores once operated one of the largest drug-trafficking networks in U.S. history, connected directly to the most powerful figures of the Sinaloa Cartel. He voluntarily surrendered and cooperated with U.S. authorities, testimony that contributed to the prosecution of senior cartel leaders. He now educates and trains law enforcement, offering first-hand insight into cartel logistics, money movement and organisational structure.

## **Mike Chavarria**

*Former Supervisory Special Agent, DEA*

A retired DEA Supervisory Special Agent with 33 years' experience in counter-narcotics across the U.S.–Mexico border and Latin America, Mike Chavarria served in South America, Central America and twice in Mexico. A recipient of the DEA Administrator's Award, he is an expert and media commentator on cartel evolution and violence.

## **Dr. Alba Maria Gonzalez Rolon**

*Former Judge, Specialized Criminal Court for Organized Crime, Paraguay*

A jurist with more than three decades in the justice system, Dr. Gonzalez Rolon served as a criminal trial judge in Paraguay and on specialised courts addressing organised crime, and has been engaged as an expert with the UN Office on Drugs and Crime. She practises and teaches law, specialising in organised crime, intelligence and counter-insurgency.

## **Stefano Ritondale**

*Co-Founder & Chief Intelligence Officer, Artorias*

A former U.S. Army armor officer and intelligence professional, Stefano Ritondale is Chief Intelligence Officer at Artorias, an AI-driven risk-intelligence firm, and founder of the investigative platform All-Source News. He focuses on the Sinaloa Cartel and CJNG and on the open-source analysis of cartel activity.

## **Lt Gen Shokin Chauhan**

*Former Director General, Assam Rifles*

A decorated Indian Army officer commissioned into 11 Gorkha Rifles in 1979, Lt Gen Chauhan commanded the 8th Mountain Division and a Strike Corps and served as Director General of the Assam Rifles. As Chairman of the Ceasefire Monitoring Group he worked on North-East peace talks. He holds a PhD from Panjab University and is the author of *Bridging Borders*.

## **Dr. Rohan Gunaratna**

*Professor of Security Studies, RSIS, Nanyang Technological University*

A terrorism expert with over 30 years' experience, Dr. Gunaratna heads the International Centre for Political Violence and Terrorism Research in Singapore. He has advised governments worldwide, testified before the 9/11 Commission, and authored over 20 books, including *Inside Al-Qaeda*.

## **Rami Desai**

*Anthropologist; Distinguished Fellow, India Foundation*

An author, anthropologist and expert on North-East India and regional security, Rami Desai was educated at King's College London and has more than two decades of field research on insurgency, ethnic groups and identity politics. A consulting editor at Global Order, she has served as an independent election observer in Myanmar.

## **Ambassador M. Ashraf Haidari**

*Founder & President, Displaced International*

An Afghan diplomat, Ambassador Haidari served as Afghanistan's Ambassador to Sri Lanka and as Director General at SAARC's SACEP, and held senior positions in Afghanistan's Ministry of Foreign Affairs and as Deputy Chief of Mission to India. He holds a master's in security studies from Georgetown University.

## **Cmde SL Deshmukh**

*Adjunct Faculty, MIT & MAHE; Former Senior VP, SUN Group*

A retired Indian Navy officer with 32 years' service across the marine and aviation domains, Cmde Deshmukh held operational and administrative appointments including Principal Director at Naval Headquarters. He is a senior fellow at the Defence Research and Studies think tank and chaired the conference's session on India.

## **Rakesh Asthana**

*Former Director General, NCB; Former Commissioner of Police, Delhi*

A 1984-batch IPS officer, Rakesh Asthana rose to serve as Special Director of the CBI, Director General of the Border Security Force, and Commissioner of Police, Delhi. He investigated several cases and led the SIT probe into a major fraud and money-laundering case, and later served as a Special Monitor at the NHRC.

## **Dr. Rajender Pal Singh**

*Former DGP, Uttar Pradesh; Former Deputy Director General, NCB*

A 1987-batch IPS officer and St. Stephen's College alumnus with an LLB (gold medal) and PhD, Dr. Singh served as Deputy Director General (Operations) at the Narcotics Control Bureau and as DG, Economic Offences Wing. He has lectured widely on the NDPS Act, drug trafficking, money laundering and organised crime.

## **Dr. Shreekumar Menon**

*Former DG, National Academy of Customs, Indirect Taxes & Narcotics*

A 1978-batch Indian Revenue Service (Customs & Excise) officer, Dr. Menon served as DG of NACIN and concurrently as DG of the Multi-Disciplinary School of Economic Intelligence, Mumbai. He holds a doctorate in narcotics and psychotropic substances, authored *Drug Trafficking and the Intriguing Tentacles of Narco-Terrorism*, and prepared the UNODC drug report for South-East Asia in 2022.

## **Rohas Nagpal**

*Co-Founder, C4 Academy; Chief AI Architect, Sara AI*

A lawyer, cyber-crime investigator and blockchain expert with over two decades' experience, Rohas Nagpal co-founded the Asian School of Cyber Laws and authored the *Cyber Crime Investigations Manual*. He has investigated cyber-crimes and breaches for over 100 organisations across 18 countries and prepared a white paper for the RBI on Central Bank Digital Currency.

## **Vicky Nanjappa**

*Internal Security Specialist & Journalist*

A senior Indian journalist with over two decades covering internal security, Vicky Nanjappa broke the Telgi scam and has reported extensively on terrorism, radicalisation and organised crime in South India. He was the first journalist in India to undergo a narco-analysis test and the first to interview the wife of the 26/11 reconnaissance operative David Headley.

## **BVS Saikrishna**

*Founder & CEO, Pinaca Technologies*

An entrepreneur and cyber-security expert and a 2011-batch Indian Revenue Service officer, BVS Saikrishna has served at the National Critical Information Infrastructure Protection Centre and founded ventures focused on machine learning, dark-web intelligence and AI-driven solutions for law enforcement and national security. He chaired the conference's closing session.

## **Carlos Olivo**

*Former DEA Assistant Special Agent in Charge; Founder, Obsidian Group Analytics*

A retired DEA Assistant Special Agent in Charge and retired U.S. Marine Corps Reserve colonel, Carlos Olivo led investigations into CJNG, Sinaloa and affiliated financial networks and served as the DEA liaison to the Department of State. Before retirement he was tasked with building a unit to fuse military, intelligence-community and law-enforcement efforts against narco-terrorism.

## **Vipul V Tamhane**

*Founder & Director, Exestat; AML/CFT Specialist*

An anti-money-laundering and counter-financing-of-terrorism specialist with over 20 years' experience in risk, compliance and international business law, Vipul Tamhane is founder and editor-in-chief of the think tank Diplomacy Direct and a visiting faculty member teaching counter-terrorism. He advises businesses, governments and law enforcement on financial-crime prevention.

## **Steven Filson**

*Co-Founder, Victims of Illicit Drugs (VOID)*

A retired U.S. Air Force veteran and law-enforcement professional with 31 years across the San Bernardino County Sheriff's and Police Departments, Steven Filson co-founded the non-profit Victims of Illicit Drugs after losing his daughter Jessica and her boyfriend to fentanyl poisoning in 2022. VOID is dedicated to education and awareness around the fentanyl crisis.

**Dr. Sidharth Shukla**

*Defence Communications Consultant; Army Veteran*

A former Indian Army officer and expert in defence communications, 5G/6G networks and satellite systems, Dr. Shukla brings over 24 years' experience in telecom, IT and satellite network design. He speaks and moderates at leading forums on AI-native networks, critical communications and quantum-safe security.

**Dr. Hans-Jakob Schindler**

*Director, Counter Extremism Project; Former Coordinator, UNSC Sanctions Monitoring Team*

An authority on terrorism financing, sanctions and extremist networks, Dr. Schindler is Senior Director of the Counter Extremism Project in New York and Berlin. Between 2013 and 2018 he served as Coordinator of the ISIL, Al-Qaeda and Taliban Sanctions Monitoring Team of the UN Security Council, and previously headed Germany's federal counter-terrorism initiative.

## Speakers at a Glance

This roster lists all principal speakers in order of appearance, with their affiliation, session and topic. It is a quick reference to the session record that follows.

Speaker	Affiliation	Session	Topic
Dr. Nanda Kishor M S	Head, Politics & Intl. Studies, Pondicherry Univ.	Inaugural	Chair / framing
Dr. Harjit Sandhu	Former UNSC Expert; Former DIG, Manipur	Inaug./S1/S4	Crime–violence fusion; finance
Taranjit Singh Sandhu	Lt Governor of Delhi; Former Amb. to USA	Inaugural	Security, economics & diplomacy
Lt Gen Syed Ata Hasnain	Governor of Bihar; Former GOC 15 Corps	Inaugural	Financial arteries of terror
Yashovardhan Azad	Former Special Director, IB	Session 1	India downstream of GC
Dr. Arian Sharifi	Former DG, National Threat Assessment, Afgh.	Session 1	Evolution of Afgh.–Pak production
Masoom Stanekzai	Former Chief, NDS, Afghanistan	Session 1	The narcotics–terror nexus
Maj Gen Rajan Kochhar	Former MGAOC, Central Command	Session 1	GC & India internal security
Shahmahmood Miakhel	Former Governor of Nangarhar	Session 1	Routes via Pak, Afgh. & Iran
Ajmal Sohail	Co-President, Counter Narco-Terror Alliance	Session 1	GC: production to market
Dr. John Nomikos	Director, RIEAS, Greece	Session 2	Chair / single global network
Leonardo Silva	Former DEA Resident Agent in Charge	Session 2	Andes to global markets
Armando Johan Abdola	Chairman, IOSI Global; ex-Venezuela CN chief	Session 2	Narco-terrorism 3.0
Maj. Namrata Dhasmana	Chief Strategist, Centre of Intl. Futures	Session 2	Sovereignty & resilience
Hriday Raval	Researcher & Moderator, Indic Researchers Forum	Session 3	Chair / Mexico & the synthetic shift
Dr. Barry Zulauf	Professor of Applied Intelligence, Georgetown	Session 3	U.S. counter-narco approach
Margarito “Jay” Flores	Former drug kingpin; educator	Session 3	Inside the cartel business
Mike Chavarria	Former Supervisory Special Agent, DEA	Session 3	Cartels as parallel state
Dr. Alba M. Gonzalez Rolon	Former Judge, Organized-Crime Court, Paraguay	Session 3	The rise of synthetics
Stefano Ritondale	Chief Intelligence Officer, Artorias	S3 / S6	Sinaloa civil war; OSINT

Speaker	Affiliation	Session	Topic
Lt Gen Shokin Chauhan	Former DG, Assam Rifles	Session 4	Conflict economies in Myanmar
Dr. Rohan Gunaratna	Professor of Security Studies, RSIS	Session 4	OC, laundering & GT security
Rami Desai	Anthropologist; Fellow, India Foundation	Session 4	GT & India's North-East
Amb. M. Ashraf Haidari	President, Displaced International	Session 4	The human dimension
Cmde SL Deshmukh	Adjunct Faculty, MIT & MAHE	Session 5	Chair / routes, dark web
Rakesh Asthana	Former DG, NCB; Former CP, Delhi	Session 5	Borders & insurgency
Dr. Rajender Pal Singh	Former DGP UP; Former DDG, NCB	Session 5	Pharma & precursor chemicals
Dr. Shreekumar Menon	Former DG, NACIN	Session 5	Ports, shipping & maritime
Rohas Nagpal	Co-Founder, C4 Academy; Sara AI	Session 5	Dark web & crypto
Vicky Nanjappa	Internal Security Specialist & Journalist	Session 5	Narco-terror in Kerala & TN
BVS Saikrishna	Founder & CEO, Pinaca Technologies	Session 6	Chair / money as connective tissue
Carlos Olivo	Former DEA ASAC; Founder, Obsidian Group	Session 6	Intelligence sharing
Vipul V Tamhane	Founder & Director, Exestat; AML/CFT	Session 6	Global AML/CFT mechanisms
Steven Filson	Co-Founder, Victims of Illicit Drugs	Session 6	Civil society & human security
Dr. Sidharth Shukla	Defence Communications Consultant	Session 6	Data integration & platforms
Dr. Hans-Jakob Schindler	Director, Counter Extremism Project	Session 6	Hezbollah case analysis

## Executive Summary

### BLUF Bottom Line Up Front

The separation between the narcotics trade and terrorism has collapsed. The world now faces a single, adaptive, transnational system in which drug revenue arms insurgents, sustains terror networks, corrupts states and erodes societies. It will be defeated by dismantling the financial and operational networks that sustain violence, not by seizing drugs. That requires integration across agencies and borders, and the political will to treat the threat as a top-tier national-security priority.

For most of the modern era, the narcotics trade and terrorism were policed as separate problems. Drugs were a matter for customs officers and narcotics bureaus; terrorism was a matter for intelligence services and armies. The central message of this conference, repeated across two days and four continents of testimony, is that this separation has collapsed. What the world now confronts is a single, adaptive, transnational system in which the production and trafficking of narcotics generates the revenue that arms insurgents, sustains terror networks, corrupts states and erodes societies from within. As one speaker put it, drugs are no longer merely contraband; they have become a currency for terror.

The scale is large. Speakers estimated the global illicit drug economy at between US\$320 billion and US\$500 billion or more annually, one of the largest shadow economies on earth, comparable to whole formal sectors. A single kilogram of heroin bought near its South Asian source for roughly one lakh rupees sells in a Western market for close to one crore: a markup of the order of 9,900 per cent. No rural-livelihood scheme or state-welfare programme can compete with that arithmetic, which is why the drug economy becomes the dominant economic institution wherever governance is weak or absent.

A second, structural shift dominated the discussion: the transition from plant-based to synthetic narcotics. Methamphetamine and fentanyl require no fields, no fixed geography and no long maritime supply chains for a finished crop, only precursor chemicals and a laboratory that can be assembled and relocated within weeks. This “uncoupling” of the drug trade from agriculture makes production far more resilient to enforcement, far more profitable, and, for India, far more internal. The threat is no longer only at the border; it can now emerge inside a country’s own cities. India’s vast pharmaceutical and chemical sectors, a genuine national strength, simultaneously create a vulnerability through the diversion of precursors such as ephedrine, pseudoephedrine and acetic anhydride.

India’s exposure is uniquely acute. The country lies between the Golden Crescent (Afghanistan–Pakistan–Iran) to its west and the Golden Triangle (Myanmar–Laos–Thailand) to its east, the only major state to face this dual-front pressure. The 2022 Taliban opium ban, while it has reduced Afghan cultivation by an estimated 80–95 per cent, has not ended the trade; it has displaced it. Production has shifted to synthetics, to Afghanistan’s north, and decisively to Myanmar, where post-coup conflict economies have driven opium output to roughly twice Afghanistan’s former levels and turned the country’s borderlands, contiguous with India’s North-East, into ungoverned zones of competing armed actors, drone warfare and methamphetamine super-labs.

From the Golden Crescent to the Andes to Mexico, speakers traced the same structural pattern: drug economies operate as political systems, not only as criminal enterprises. They penetrate, bend, intimidate or capture the institutions of the state. In parts of Latin America the question has moved from whether the state is absent to whether it has been partially captured, what one speaker termed “narco-terrorism 3.0” and another “criminal governance.” Cartels tax through extortion, pay welfare to fighters, build infrastructure and enforce

order through violence, even as, in the Mexican case, they pursue no political agenda beyond protecting their profits.

Two themes recurred in every single session as the keys to disruption. The first is finance: follow the money. Whether through hawala, shell companies, trade-based laundering, real estate, cryptocurrencies or “value-in-kind,” it is the movement of money, not the movement of drugs, that sustains these networks, and it is the financial layer that is most vulnerable to transparency. The second is integration: the conviction that no single agency, and no single country, owns this problem. Speakers from the United States described a recent, deliberate shift from a fragmented law-enforcement approach to a whole-of-government national-security campaign that fuses defence, intelligence, law enforcement, diplomacy and finance, and urged partner nations to do the same.

The conference did not shy away from the human cost. It heard from a father who lost his daughter to fentanyl poisoning he had never heard of in three decades of policing; from a former kingpin who began running drugs across the border at the age of seven; and from a diplomat who described displaced, addicted refugees as “double victims,” uprooted first by war, then consumed by a quieter violence. If we fail to address addiction and displaced populations, he warned, we are not only failing morally; we are deepening the very instability we claim to fight.

This report records the proceedings session by session and speaker by speaker, preserving the distinct expertise each participant brought to the table. It supplements that record with structured threat assessments, infographics and analytic annexes, and closes with a synthesis of cross-cutting conclusions and a set of attributed key recommendations. Taken together, they describe a threat that is integrated, adaptive and global, and a response that, to succeed, must become the same.

## Strategic Threat Assessment

This section distils the conference testimony into a structured threat assessment, applying the kind of comparative and analytic framing used in intelligence products. It is the IRF Research Team’s synthesis; it is heuristic rather than quantitative, and is intended to organise the reader’s judgement before the detailed session record that follows.

### Comparative Regional Threat Matrix

Six theatres dominated the conference: the Golden Crescent, the Golden Triangle, the Andean cocaine complex, Mexico, West Africa, and India’s internal space. Assessed across six dimensions, production, trafficking routes, terror financing, state capture, the synthetic shift and maritime exposure, they present distinct but overlapping risk profiles. The matrix below assigns a qualitative severity to each cell on the basis of the testimony recorded in this report.

**Comparative Regional Threat Matrix (IRF Assessment)**

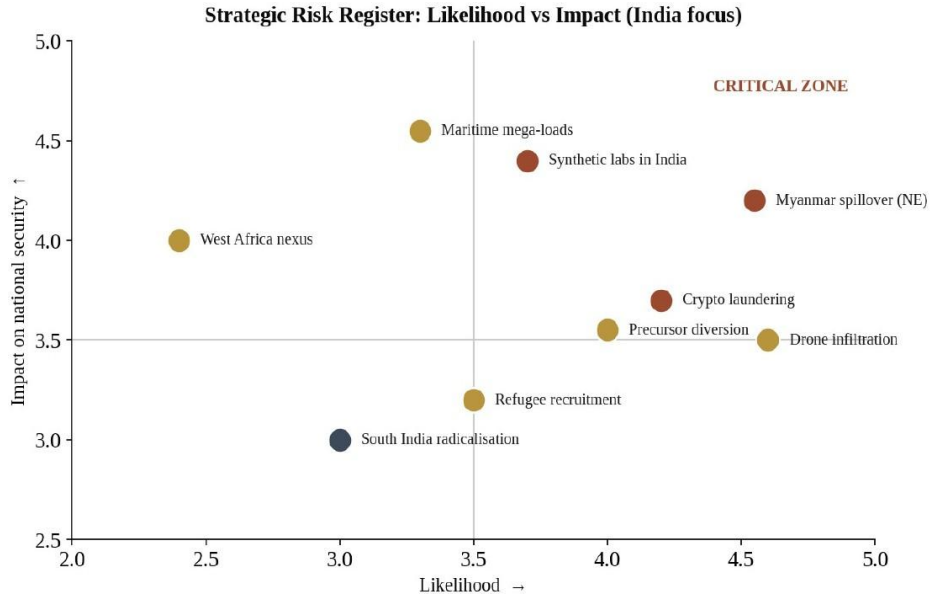
Golden Crescent	High	Severe	Severe	High	Severe	High
Golden Triangle	Severe	Severe	High	Severe	Severe	Mod
Andes/Latam	Severe	Severe	Mod	Severe	Mod	Severe
Mexico	High	Severe	Mod	Severe	Severe	High
West Africa	Mod	Severe	Severe	Severe	Mod	High
India (internal)	Mod	Severe	High	Mod	Severe	Severe
	Production	Trafficking routes	Terror financing	State capture	Synthetic shift	Maritime exposure

**Figure 2.** Comparative regional threat matrix (IRF assessment). Severity is analyst-assigned from session testimony and is intended for orientation only.

Three observations follow from the matrix. First, no theatre is low-risk across the board; each combines severe and moderate dimensions in a distinct signature. Second, trafficking routes are rated severe almost everywhere: the connective tissue of the global system is its most consistently dangerous feature. Third, India’s internal profile is now shaped less by domestic production than by trafficking, the synthetic shift and maritime exposure, confirming the conference’s judgement that the threat has become simultaneously transnational and internal.

### Strategic Risk Register

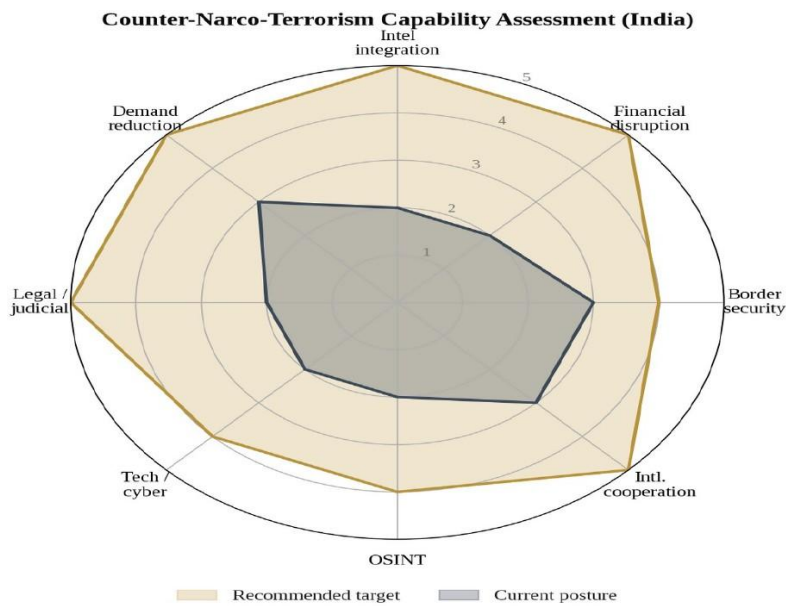
Translating the matrix into India-facing risks, the register below plots the principal threats by likelihood and by potential impact on national security. Risks in the upper-right “critical” quadrant, Myanmar spillover into the North-East, drone-borne infiltration, synthetic laboratories emerging inside India, and crypto-enabled laundering, warrant priority attention because they are both probable and consequential.



**Figure 3.** Strategic risk register (IRF assessment): likelihood against impact for the principal India-facing threats identified across the conference.

### Capability Assessment & Target Posture

Finally, the conference’s recommendations can be read as a gap analysis between India’s current counter-narco-terrorism posture and the posture its experts judged necessary. The radar below captures that gap across seven capability axes. The widest gaps, in intelligence integration, financial disruption and legal/judicial throughput, are precisely the areas in which speaker after speaker concentrated their prescriptions.



**Figure 4.** Counter-narco-terrorism capability assessment (IRF heuristic): current posture against the target posture implied by the conference’s recommendations.

**ASSESSMENT** Net Judgement

The narco-terror threat to India is assessed as HIGH and RISING, driven primarily by the eastward displacement of production into Myanmar, the synthetic-drug revolution, and the migration of finance into crypto and value-in-kind channels.

The greatest capability gaps are in cross-agency intelligence integration and financial disruption, the two levers the conference identified as decisive.

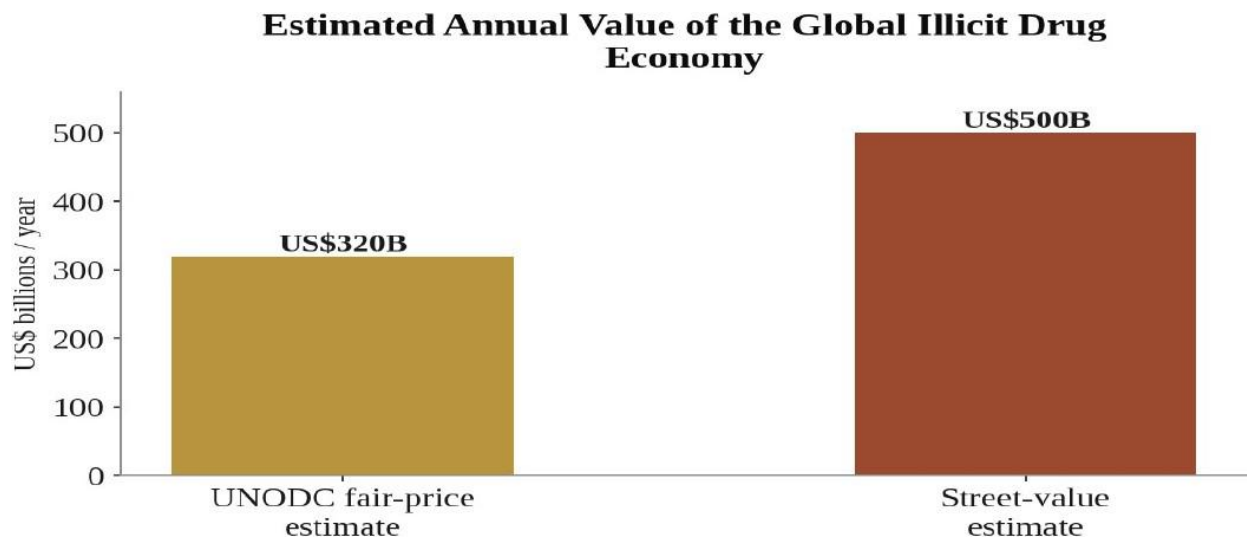
Closing these gaps is judged feasible within existing institutions but contingent on a deliberate, top-level political decision to treat narco-terrorism as a national-security priority rather than a law-enforcement matter.

## Reading the Numbers: The Global Picture

Before turning to the sessions, this section fixes the orders of magnitude that recurred throughout the conference. The figures below are reproduced as cited by speakers; where they originate in oral testimony they should be read as indicative rather than audited. Together they explain why narco-terrorism is, at root, an economic phenomenon.

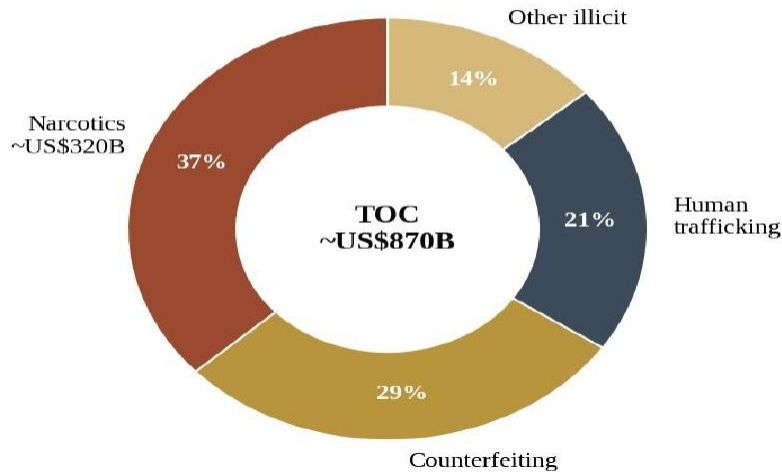
### The Size of the Shadow Economy

Estimates of the global illicit drug economy ranged from a UNODC-style fair-price figure of around US\$320 billion to street-value estimates of US\$500 billion or more. Within the broader universe of transnational organised crime, assessed at roughly US\$870 billion at a 2010 baseline, narcotics alone accounted for more than a third, dwarfing arms smuggling, human trafficking and wildlife crime.



**Figure 5.** *Estimated annual value of the global illicit drug economy, fair-price versus street-value (figures as cited across sessions).*

### Narcotics within the Transnational Organised-Crime Economy

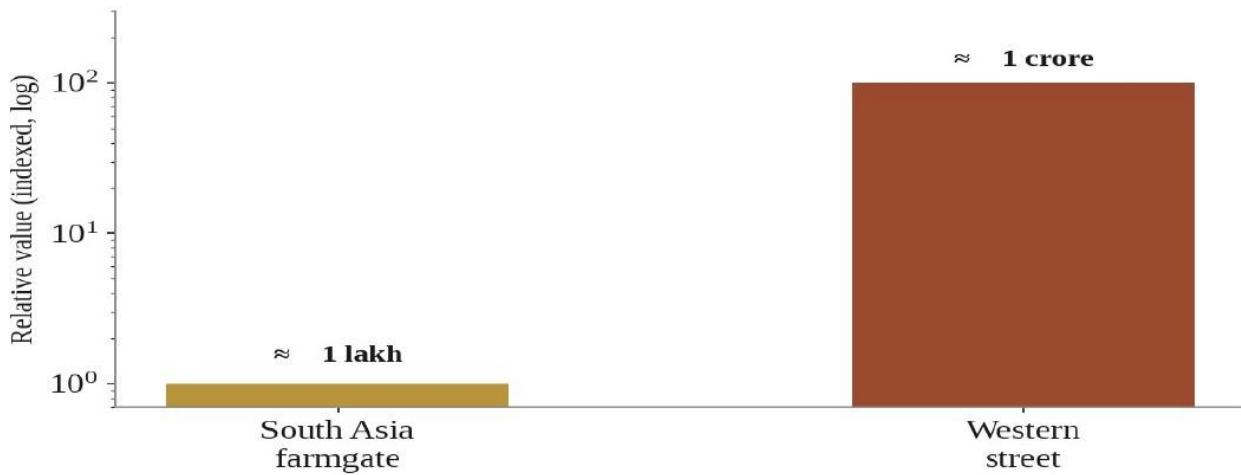


**Figure 6.** Indicative composition of transnational organised-crime revenue, with narcotics the single largest component (UNODC 2010 baseline cited by Dr. Rajender Pal Singh).

### The Profit Engine

The economic gravity of the trade is best captured in a single ratio, cited by more than one speaker: a kilogram of heroin worth roughly one lakh rupees at its South Asian source sells for close to one crore on a Western street. That hundred-fold markup is the engine that drives every other dynamic in this report: it is why bans displace rather than end production, why governance vacuums fill with narco-economies, and why precursor diversion is so lucrative.

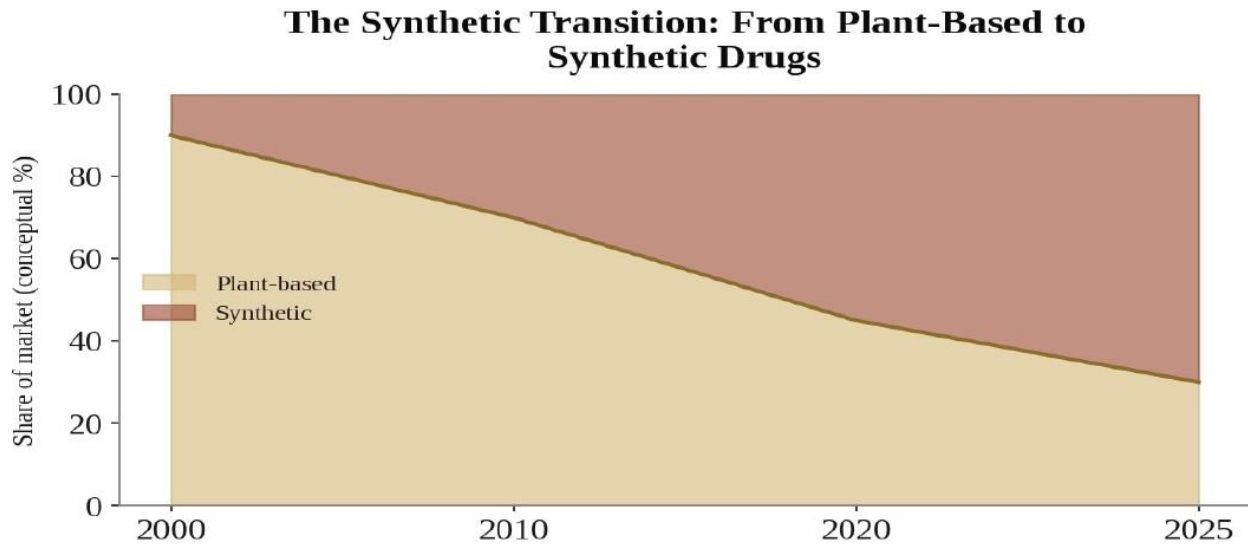
### The Profit Engine: ~100× Markup on 1 kg of Heroin, Source to Street



**Figure 7.** The profit engine: the roughly hundred-fold markup on a kilogram of heroin from source to street (V. Tamhane / R. P. Singh).

## The Synthetic Transition

The final item to fix is a trend rather than a value: the steady shift, over a generation, from plant-based to synthetic drugs. This change underlies the conference's recurring warning that the threat has become harder to interdict, more profitable, and increasingly capable of being manufactured inside consumer countries themselves.



**Figure 8.** *The synthetic transition (conceptual): the long shift from plant-based to synthetic drugs described by Singh, Gonzalez Rolon and Sharifi.*

## The Value Chain

These figures map onto a single value chain that runs from production through trafficking and distribution to laundering and, ultimately, terror finance. The conference identified two recurring choke points along it: the money, and the seams between agencies and borders.

## The Narco-Terror Value Chain: From Field to Finance



**Figure 9.** The narco-terror value chain, from field to finance, with the two choke points emphasised in every session.

### Key Figures Cited Across the Conference

For ready reference, the table below consolidates the principal quantitative claims made by speakers across the two days. All figures are reproduced as cited and should be read as indicative; the attributed speaker is the one who most directly invoked each figure.

Figure	Value as cited	Speaker(s)
Global illicit drug economy	US\$320–500 billion+ per year	Multiple
Transnational organised crime (2010 baseline)	≈ US\$870 billion (~1.5% of world GDP)	Dr. R. P. Singh
Heroin source-to-street markup	≈ 100× (₹1 lakh → ₹1 crore/kg)	V. Tamhane; R. P. Singh
Afghan poppy cultivation 2022 → 2025	≈ 232,000 ha → ≈ 10,200 ha (–80–95%)	Dr. A. Sharifi; M. Stanekzai
Afghan opium price/kg post-ban	≈ US\$75 → ≈ US\$750	M. Stanekzai
Myanmar opium vs Afghanistan (2025)	≈ 2×; +17% YoY, decade high	R. Desai (UNODC)
U.S. overdose deaths (peak → 2024)	≈ 110k (2023) → ≈ 83k (2024, –27%)	Dr. B. Zulauf; S. Filson
Punjab drone interceptions 2022 → 2025	21 → 294 (2024) → 272 (2025)	Y. Azad (BSF)
Ecuador vs El Salvador homicide rate 2025	50.9 vs 1.3 per 100,000	Maj. N. Dhasmana
Ephedrine → methamphetamine yield	1 kg → 7 kg (≈ ₹1 crore street)	Dr. R. P. Singh
Bulk-cash counter-flow	≈ 1.5–2 kg currency per 1 kg drugs	M. Flores
Andaman methamphetamine haul	≈ US\$4.5 billion	R. Desai
Myanmar meth-and-precursor trade	≈ US\$60 billion	Dr. R. Gunaratna
Forcibly displaced worldwide	> 117 million people	Amb. M. A. Haidari

## Abbreviations

The abbreviations used throughout this report, with their full forms.

Abbreviation	Full Form
AML/CFT	Anti-Money Laundering / Combating the Financing of Terrorism
ARSA	Arakan Rohingya Salvation Army
ATS	Anti-Terrorism Squad
BLO	Beltrán Leyva Organization
BRI	Belt and Road Initiative
BSF	Border Security Force
CBDC	Central Bank Digital Currency
CBI	Central Bureau of Investigation
CBRN	Chemical, Biological, Radiological and Nuclear
CJNG	Cártel de Jalisco Nueva Generación (Jalisco New Generation Cartel)
CSO	Civil Society Organisation
DEA	Drug Enforcement Administration (United States)
DG / DGP	Director General / Director General of Police
DNI	Director of National Intelligence (United States)
DRI	Directorate of Revenue Intelligence
EAO	Ethnic Armed Organisation (Myanmar)
FATF	Financial Action Task Force
FinCEN	Financial Crimes Enforcement Network (U.S. Treasury)
FIU	Financial Intelligence Unit
FTO	Foreign Terrorist Organisation
HIDTA	High-Intensity Drug Trafficking Area
HUMINT	Human Intelligence
IB	Intelligence Bureau
IRGC	Islamic Revolutionary Guard Corps (Iran)
ISI	Inter-Services Intelligence (Pakistan)
ISKP / ISIS-K	Islamic State Khorasan Province
J&K	Jammu & Kashmir
JNIM	Jama'at Nusrat al-Islam wal-Muslimin (al-Qaeda Sahel affiliate)

Abbreviation	Full Form
KYC	Know Your Customer
LTTE	Liberation Tigers of Tamil Eelam
NCB	Narcotics Control Bureau
NDPS Act	Narcotic Drugs and Psychotropic Substances Act, 1985
NIA	National Investigation Agency
OSINT	Open-Source Intelligence
PFI	Popular Front of India
PMLA	Prevention of Money Laundering Act
R&AW	Research and Analysis Wing
SEZ	Special Economic Zone
SIGINT	Signals Intelligence
TOC	Transnational Organised Crime
TTP	Tehrik-i-Taliban Pakistan
UAE	United Arab Emirates
UNCLOS	United Nations Convention on the Law of the Sea
UNODC	United Nations Office on Drugs and Crime
USDT	Tether (a U.S. dollar-pegged stablecoin)
UWSA	United Wa State Army
VOID	Victims of Illicit Drugs

## INAUGURAL SESSION

# Setting the Frame

*Narco-terrorism as a national-security threat*

Opening the conference, the session host, Rajas Purandare of the Indic Researchers Forum, placed the gathering within IRF's standing focus on strategic affairs, national security and foreign policy, and introduced the Forum's partnership with Avellon Intelligence. The session chair, Dr. Nanda Kishor, framed the theme as "point on" for the moment India occupies: a cusp at which the country is troubled from multiple directions and must mount a multi-dimensional, coordinated strategy that addresses both the financial lifelines of terrorism and the socio-economic conditions that sustain illicit economies. He stressed the convergence of organised crime, extremist networks, drug trafficking and transnational insecurity, and argued that countering narco-terrorism must move beyond declaratory commitments to actionable coordination, treating the problem as a governance challenge requiring global solidarity, not only a security imperative.

**Dr. Harjit Sandhu***Inaugural Address**Former UNSC Expert; Former DIG (Counter-insurgency), Manipur*

Dr. Sandhu opened with a plain figure: the global illicit drug trade is estimated to generate over US\$500 billion annually, making it one of the largest shadow economies in the world. These, he stressed, are not passive profits. They are resources that sustain terrorism, empower organised crime and weaken states from within. Narco-terrorism, he argued, represents one of the most dangerous convergences in modern security: the fusion of criminal enterprise with ideological violence. Across the Golden Crescent, the Golden Triangle and Latin America, drug trafficking has become a strategic lifeline for militant groups, financing recruitment and arms procurement and sustaining long-term insurgencies.

**1. A sophisticated, adaptive, transnational threat**

Today's narco-terror networks, he observed, are sophisticated, adaptive and transnational, operating through complex supply chains that connect production zones, trafficking routes, financial hubs and consumer markets. They exploit porous borders, regulatory weaknesses and corruption, and increasingly use digital financial systems to move illicit funds with speed and anonymity. Echoing the UNODC, he noted that illicit drugs undermine peace and security, fuel violence and instability, and tear at the fabric of societies.

**2. The synthetic transformation and India's shifting role**

The nature of narcotics itself is changing, he warned. The rise of synthetic drugs (methamphetamine, fentanyl and other chemical substances) has altered the global drug economy: they are cheaper, scalable and far harder to regulate, and their production is no longer geographically constrained. This matters for South Asia. India, historically viewed as a transit corridor between the Golden Crescent and the Golden Triangle, now faces the emergence of domestic synthetic-drug manufacturing networks, with serious implications for national, regional and international security.

### 3. From coordination to integration

Faced with such a multi-dimensional threat, isolated responses are no longer sufficient. Dr. Sandhu called for a shift "from coordination to integration": real-time intelligence sharing across borders, intelligence that, in a phrase he attributed to the session's later chair, "unlike French wine, does not get better with age"; stronger financial monitoring; the deployment of data analytics, artificial intelligence and geospatial tools; strong regulation of pharmaceuticals and precursor chemicals; and, above all, sustained political will. You cannot dismantle a network with isolated action, he said; the response must match the scale, sophistication and interconnectedness of the threat.

*Narco-terrorism has already crossed the threshold. What we face today is not a distant risk. It is an immediate and expanding danger. In this fight, neutrality is not an option, and delay is a luxury we cannot afford.*

— Dr. Harjit Sandhu

## Taranjit Singh Sandhu

*Keynote Address*

*Hon'ble Lieutenant Governor of Delhi; Former Ambassador of India to the United States*

Drawing on a diplomatic career spanning more than three decades, the Lieutenant Governor located narco-terrorism at the intersection of security, economics and governance, and increasingly at the heart of global strategic stability. The global narcotics trade, he noted, generates hundreds of billions of dollars annually, comparable in scale to some formal sectors of the global economy, and these flows are deeply embedded within networks of money laundering, organised crime and terrorist financing.

#### 1. The recurring theme of bilateral and multilateral diplomacy

From his experience in the foreign service, he observed that the convergence of narcotics and terrorism has been a recurring theme in bilateral and multilateral discussions, with counter-narcotics cooperation repeatedly overlapping with counter-terrorism frameworks. Yet differences in legal systems, evidentiary standards and enforcement capacities across countries create gaps that these networks exploit, making sustained international cooperation both necessary and challenging.

#### 2. The Punjab warning and the societal toll

He drew particular attention to the societal consequences, citing Punjab's troubling rise in substance abuse among the youth across both rural and urban communities, with effects that extend far beyond individual health to family structures, workforce participation and public-health and law-enforcement systems. Recent enforcement actions, he noted, indicate that India may be shifting from a transit point to part of the production and distribution chain, a transition driven by its geography, its large and sophisticated pharmaceutical and chemical sectors (vulnerable to precursor diversion), and its growing digital connectivity and logistics networks.

#### 3. An integrated, demand-aware response

His prescription combined enhanced national coordination between intelligence agencies, law enforcement, financial regulators and public-health institutions with indispensable international cooperation, stronger global

frameworks for financial transparency, and the use of advanced analytics and geospatial intelligence. He argued that enforcement must be complemented by demand-side intervention, awareness, prevention and rehabilitation, since a purely supply-side approach is unlikely to be sustainable.

## Lt Gen Syed Ata Hasnain

*Keynote Address*

*Hon'ble Governor of Bihar; Former GOC 15 Corps*

Lt Gen Hasnain insisted that narco-terrorism is one of the defining security challenges of our times, above all a national-security challenge rather than a matter of policing or criminal law. Narco-terrorism, he said, is about funding for violence: narcotics generate the illicit profits that sustain arms procurement, recruitment, logistics, propaganda and extremist networks. If terrorism is to be countered effectively, its financial arteries must be targeted with equal determination.

### 1. Geography as vulnerability

India's position between the Golden Crescent and the Golden Triangle, he argued, creates a natural vulnerability, as a transit route, a distribution space and increasingly a processing hub, across land borders, maritime routes, ports, informal trade channels and now digital financial systems. No insurgency or terrorist movement, he stressed, can sustain itself without reliable finance; narcotics provide a source that is scalable, clandestine and transnational, which is why criminal networks and violent movements converge: one brings money, the other brings protection.

### 2. The vulnerable arc: North-East, Siliguri and the eastern borders

Drawing on his operational experience, he highlighted the North-East, where insurgent networks have long drawn sustenance from narcotics-linked finance, and the wider vulnerable arc across eastern and northern India: the Siliguri Corridor, the Indo-Nepal border, the Bihar–Nepal interface and the Seemanchal region, and the India–Bangladesh and India–Bhutan boundaries. In such spaces, narcotics money does not remain confined to trafficking; it sustains underground networks and radical systems. Once violence acquires an economic base, he warned, it becomes far harder to end, because profit, not only grievance or ideology, now sustains the conflict.

### 3. Jammu & Kashmir: reduced violence is not a vanished threat

On Jammu & Kashmir, he welcomed the reduction in terror incidents and commended the intelligence agencies and the National Investigation Agency for disrupting financing networks, but cautioned that reduced violence must not be mistaken for the disappearance of the threat. Terror-financing networks adapt, go underground and wait for opportunities; the effort must therefore remain continuous. Citing the LTTE's endurance and the wider instability of the arc from Afghanistan to West Asia, he warned that prolonged, poorly stabilised conflicts leave behind networks, weapons and trained actors, conditions that gave rise to formations such as ISIS and could produce new threats.

*If you disrupt the money, you weaken the network. If you weaken the network, you reduce violence. And if you reduce violence, you automatically strengthen the state.*

— Lt Gen Syed Ata Hasnain

**INAUGURAL SESSION · KEY TAKEAWAYS**

- ▶ Narco-terrorism is a national-security threat, not merely a law-enforcement or policing matter; its defining feature is the fusion of criminal profit with ideological violence.
- ▶ The global illicit drug economy (estimated at US\$500 billion+) is a strategic lifeline for militant groups; the financial layer is the decisive battlefield.
- ▶ The synthetic-drug revolution uncouples production from geography, making the threat increasingly internal to states such as India.
- ▶ India's dual-front geography, between the Golden Crescent and Golden Triangle, makes it uniquely exposed as transit, distribution and now production space.
- ▶ The required shift is from coordination to integration: real-time intelligence sharing, financial disruption, precursor regulation, demand reduction and sustained political will.

## SESSION 1

# The Golden Crescent

## *Drugs, militancy & terror financing*

Opening the first session, chair Yashovardhan Azad argued that narco-terrorism has become a strategic threat vector that fuses organised crime, insurgency and cross-border terrorism, well past being a law-and-order problem. The Golden Crescent (Afghanistan, Pakistan and Iran) remains the epicentre of global opiate production, and India sits directly in its downstream trajectory.

### **Yashovardhan Azad**

*Chair's Opening Remarks: India in the Downstream Trajectory*

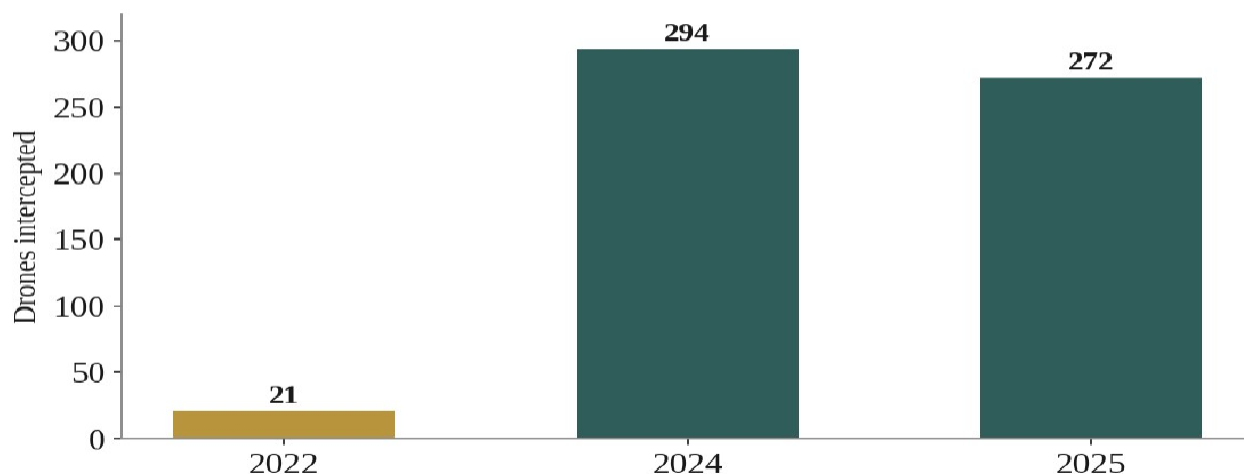
*Former Special Director, Intelligence Bureau*

Azad set out sobering numbers: in recent years India has witnessed record narcotics seizures exceeding 20,000₹ crore annually, with multiple multi-tonne heroin consignments intercepted at ports such as Mundra, while the Delhi NCR region has seen repeated busts of synthetic-drug manufacturing units, including clandestine methamphetamine labs, a clear shift from India as transit route to emerging processing hub. The resulting black money, laundered through hawala and increasingly crypto, sustains terror networks in Jammu & Kashmir, organised-crime syndicates across metros, and proxy destabilisation aimed at India's internal security. "The convergence is now complete," he said. "Drugs are no longer just contraband. They are currency for terror."

### **1. The maritime vector and the drone revolution**

India's vulnerability, Azad argued, is increasingly maritime, with the western seaboard the primary entry point and ports in Kerala and Tamil Nadu emerging as secondary nodes. He drew particular attention to a tactical shift along the India–Pakistan border: at its 2025 Raising Day press conference the BSF reported 272 drones intercepted along the 550-km Punjab border in a single year, along with some 367 kg of heroin, 16 kg of methamphetamine and over 10 kg of RDX. Drone interceptions, he noted, rose from 21 in 2022 to 294 in 2024, making the aerial vector the dominant mode of narcotics and weapons infiltration, while the NDPS Act of 1985, designed for ground-based trafficking, struggles with the evidentiary and attribution problems that drone-drop consignments raise.

## Punjab Frontier: Drone Interceptions on the India–Pakistan Border



**Figure 10.** Drone interceptions on the India–Pakistan border in Punjab, illustrating the shift to an aerial infiltration vector described by Yashovardhan Azad.

### 2. Pakistan's informal finance and the fintech turn

Azad showed evidence of terror finance migrating from hawala into formal financial-technology rails: Pakistan's Federal Board of Revenue had identified dozens of real-estate agents allegedly transferring funds to the UAE through hawala and hundi channels concentrated in Peshawar and Quetta, while Pakistan's own finance minister had publicly conceded that roughly 15 per cent of financial transactions sit outside the formal regulatory system. He also noted reports that Jaish-e-Mohammed had exploited domestic digital-payment platforms to raise funds, instruments designed for financial inclusion repurposed for terror finance.

### 3. A coherent counter-narco strategy

Azad's prescription was a five-part, integrated response: real-time intelligence integration across the NCB, DRI, IB, state police and maritime agencies, plus international cooperation; maritime and border security, including AI-driven container risk-profiling and dedicated counter-drone and electronic-warfare capabilities (he cited the BSF's new drone-warfare school and counter-drone research MoUs with IIT Delhi); financial disruption targeting hawala and crypto channels and aggressive asset-forfeiture; demand reduction through a whole-of-society de-addiction architecture and community policing; and targeting the source through diplomatic pressure on production in Afghanistan and Myanmar and development-led strategies in vulnerable border regions. "Every kilogram seized," he concluded, "is terror funding denied, a life potentially saved, and a nation made more secure."

#### Dr. Arian Sharifi

*The Evolution of Drug Production in the Afghanistan–Pakistan Region*

*Former Director General, National Threat Assessment, Afghanistan*

Dr. Sharifi offered the conference's most systematic historical framework, organised around three driving factors, four periods of evolution, and four lessons. The three underlying factors, he argued, are governance and political order (in inverse relationship to drug production: stronger governance, less production); the rural po-

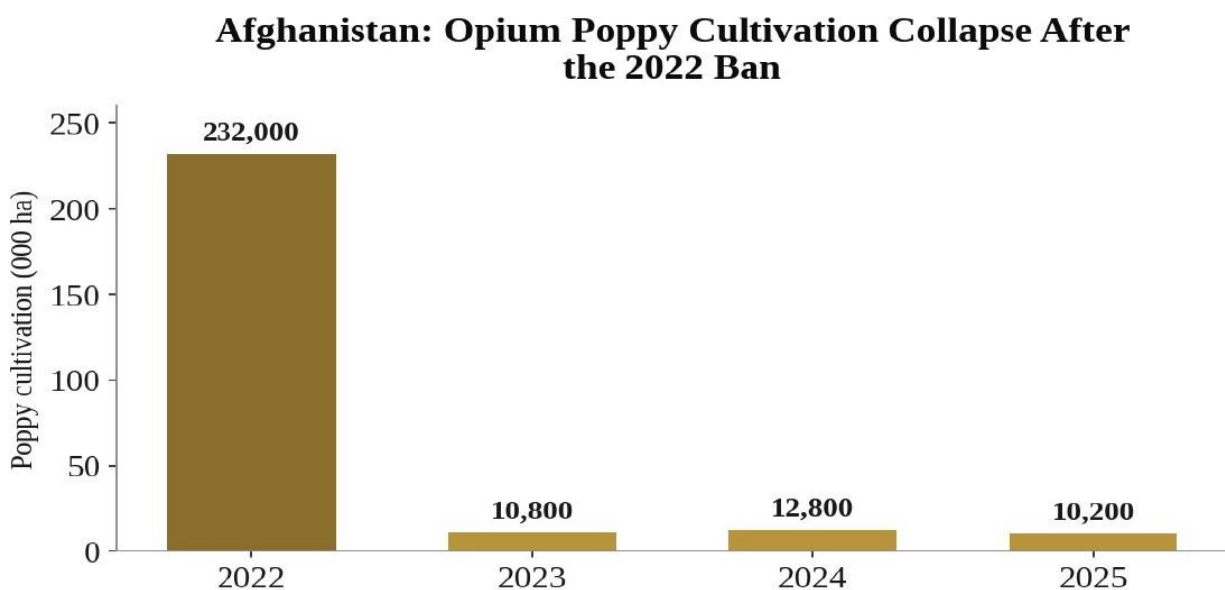
litical economy (the drug industry is embedded in the means of subsistence and survival for farmers, beyond being a criminal enterprise); and the existence of transnational networks linking the local industry to regional and global markets, without which no drug economy can flourish.

### 1. Four periods: from peripheral industry to institutionalised economy

Combining these factors, Sharifi identified four periods. Before 1979, the drug industry was peripheral, set against weak-but-functioning governance and subsistence agriculture. From 1979 to 1996, the Soviet invasion and subsequent collapse created a war economy in which drug production and trafficking became embedded in the rural community for economic survival, and an entire web of formalised transnational networks emerged. The intertwined relationship between drug and conflict began here, with Afghanistan the producer and Pakistan increasingly the facilitator. From 1996 to 2021, through Taliban rule and the post-2001 republic, the drug economy became institutionalised: Afghanistan emerged as the world's predominant opium producer and Pakistan shifted almost completely to facilitation, of trafficking, financing and the supply of precursor chemicals.

### 2. The post-2022 ban: reduction, displacement and transformation

In the current period, from 2022 onward, the Taliban's opium ban has proven strongly effective, reducing cultivation by an estimated 80–95 per cent according to UNODC and other observers, but has not ended the system. With no alternative livelihoods, rural Afghanistan has been left in deep poverty; trafficking continues from large stockpiles; cultivation has shifted from the south to the north (notably Badakhshan); and the trade is transforming into synthetic drugs (methamphetamine and amphetamine) produced across the country and smuggled through Pakistan, which again facilitates by providing precursors, finance and routes.



**Figure 11.** *The collapse of Afghan poppy cultivation after the 2022 Taliban ban, as described by Dr. Arian Sharifi and corroborated by other speakers. The system has not ended; it has displaced into northern provinces and into synthetic drugs.*

### 3. Four lessons for any counter-narcotics strategy

Sharifi distilled four lessons. First, drug economies are political systems, not just criminal enterprises; to view production only through a criminal lens is the central strategic mistake. Second, coercive bans can work, but only temporarily; unless the underlying political and economic incentives are addressed, they rebound, reconfigure and shift, as already visible in Badakhshan and in the move to synthetics. Third, local households are rational, not ideological actors; they respond to opportunities and risks, so any strategy that ignores the micro-level farmer incentive is bound to fail. Fourth, the drug economy is adaptive and resilient to shocks; geographic displacement, temporal shifts and product substitution mean it falls and rises again unless the underlying factors are addressed. Effective strategy, he concluded, must be integrated and aimed at root causes, not at the farm level alone.

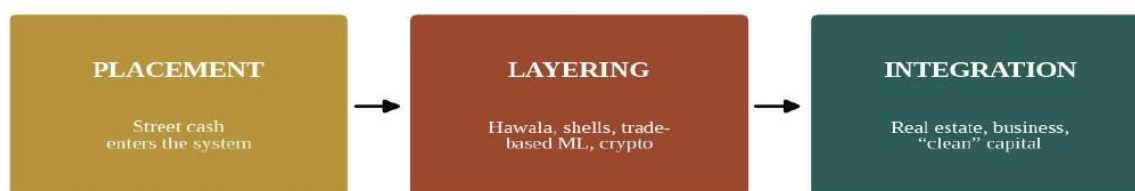
#### Dr. Harjit Sandhu

*Illicit Financial Flows: Money Laundering, Hawala & Organised Crime*

*Former UNSC Expert; Former DIG (Counter-insurgency), Manipur*

"Follow the money," Dr. Sandhu began, "and you will find the architecture of power behind crime and terror." What sustains the Golden Crescent system, he argued, is finance, more than cultivation or trafficking. Global money laundering is estimated at 2–5 per cent of world GDP, trillions of dollars annually, a large portion linked to narcotics, with roughly US\$500 billion-plus generated from narcotics each year. The money moves through a three-stage system (placement, layering and integration) supported by both formal and informal channels.

#### How Narco-Proceeds Are Laundered: The Three-Stage System



**Figure 12.** The placement–layering–integration model of money laundering described by Dr. Harjit Sandhu, in which hawala, shell companies, trade-based laundering and crypto move value before it is integrated into real estate and legitimate business.

#### 1. Hawala: the resilient core

At the centre of the system, Sandhu argued, lies hawala, an informal value-transfer system operating on trust, speed and anonymity, moving value across borders without the physical transfer of money and often without a trace. Drawing on his INTERPOL and FinCEN work, including a co-authored report that became a standard reference after 9/11, he traced hawala's near-universal reach under different names: fei ch'ien and chop-shops in East Asia, hundi in South Asia, hawilaad-style "gift services" in Africa, casas de cambio in Latin America. Historically legitimate, its opacity makes it highly attractive to traffickers, terror financiers and organised

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crime; yet, he noted, hawala networks are also fragile. A single visit can dismantle an entire network, because the system depends on "two dishonest people being honest with each other."

He illustrated hawala's reach and resilience with an anecdote from his INTERPOL years. In 1998 he had been asked to brief a gathering of U.S. Treasury officials, FinCEN staff and law-enforcement representatives from across the world on hawala, a term then almost unknown to them. He closed that presentation by displaying advertisements from vernacular newspapers in Canada and the United States in which operators openly offered to move money to Jalandhar, Peshawar or Lahore the same day, with payment collected only after delivery, a speed and trust no formal bank could match. His warning then was prophetic: this was, at the time, an Asian problem, but unless the world acted to regulate such systems, within five or ten years it would be fighting the same battle. Within a week of the 11 September 2001 attacks, he recalled, investigators were searching for him across several countries to ask him to explain to a U.S. Senate finance subcommittee how the funds for the plot had been moved, a vindication, at terrible cost, of that warning. He also recalled a U.S. case in which an accused had to explain to a puzzled judge what the very word "hawala" meant, a measure of how invisible the system then was to Western enforcement.

Sandhu stressed that hawala itself is not illegal in most jurisdictions: it is a money-exchange and value-transfer mechanism used legitimately by millions of ordinary migrants to remit earnings home cheaply and quickly. The enforcement target, therefore, is not hawala as such but the terror and narcotics money that passes through it, and the discriminating factor is record-keeping. Where money is lawfully earned, he observed, operators will diligently record every transaction; where a client insists that nothing be written down, the illicit purpose announces itself. A 1999 Abu Dhabi declaration under the UNODC global programme against money laundering, whose cover he had himself helped design, had sought precisely to require operators to keep records of their transactions, a light-touch regulation that distinguishes the legitimate remitter from the launderer without criminalising the system wholesale.

## **2. Five case studies of convergence**

Sandhu illustrated the nexus through Indian case studies: the 2021 Mundra port seizure of some 3,000 kg of heroin disguised as legitimate imports, with flows layered through shell companies and suspected hawala; the Punjab narcotics-hawala nexus, where drone-delivered consignments are tied to organised-crime groups and rooted through hawala operators, in several cases linked to terror financing; the sharper convergence in Jammu & Kashmir, where narcotics function as a strategic funding mechanism alongside arms trafficking; the NCR synthetic-drug labs, where precursors sourced through legitimate supply chains and flows routed through shell companies, digital systems and hawala mark India's entry into the production and financial network; and the emerging dark-web and crypto dimension, creating a hybrid system that combines modern digital tools with traditional hawala.

He added a historical detail that showed India's long-standing exposure: even in his own CBI years, he recalled, acetic anhydride, a key precursor for converting opium into heroin, was being smuggled from the Rajasthan and Gujarat side of the border into Pakistan to feed heroin production there. The "fresh-air import" technique, in which worthless scrap is over-invoiced so that value can be sent abroad under cover of a legitimate-looking transaction, was another mechanism he had seen used to move illicit funds. Trade, in other words, has long been a laundering instrument in its own right, quite apart from hawala.

### 3. From seizures to systems

His conclusion reframed the entire enforcement objective. Illicit financial flows today are multi-layered, technology-enabled and transnational, forming a criminal–terror–financial nexus. The response, he argued, must move from fragmented law enforcement to integrated financial disruption: stronger AML/CFT frameworks, real-time intelligence sharing, monitoring of informal value-transfer systems, and the use of AI, big data and blockchain to target financial enablers, not just traffickers. "Criminal networks survive on secrecy," he said, "but they collapse under transparency. We must shift our focus from seizures to systems, from arrests to networks, from drugs to money."

*The real battlefield is not only on the borders. It is within the financial systems that sustain these networks. No money, no movement, no network.*

— Dr. Harjit Sandhu

### Masoom Stanekzai

*Understanding the Narcotics–Terror Nexus*

*Former Chief, National Directorate of Security, Afghanistan*

Drawing on his years leading Afghanistan's intelligence service, Masoom Stanekzai described the narco-terror nexus as a vicious cycle: money generated by drugs supports terrorism, and terrorism in turn protects the narco business, while both feed a corrupted system that undermines governance and the rule of law. Each of Afghanistan's successive regime changes, he noted, weakened governance and effective control, allowing the narco-mafia to develop into a sophisticated regional network that extends well beyond the Golden Crescent into multiple "black triangles", concentrations of production, processing, precursor import and route management linking Afghanistan, Pakistan and Iran with the Gulf, Africa and Europe via the Balkan and other corridors.

He mapped these nodes in some detail. One "black triangle" sits in the Balochistan borderlands of Pakistan, positioned on a route that can move product south toward the Arabian Gulf and onward to Africa, or transit through Iran toward Turkey and the Balkans. Another, which he called the "robot triangle", connects Afghanistan, Pakistan and Iran near Nimroz, serving as a corridor both for smuggling drugs out and for bringing precursor chemicals in. These are not small operations: they involve significant quantities and the participation of both state and non-state actors who, because the trade generates such enormous sums, have a direct interest in protecting it. During the republic, he estimated, the Taliban alone generated between US\$200 and US\$250 million a year in drug-linked revenue to support their operations, working through affiliates in neighbouring countries to bring in precursors and control the routes that turned those assets into cash.

### 1. The economics of the ban

Stanekzai supplied striking figures on the post-ban economy. Afghan poppy cultivation fell from roughly 232,000 hectares in 2022 to about 10,200 hectares in 2025, and stockpiled output from some 13,000 tonnes to a fraction of that, yet the price of a kilogram of poppy rose from around US\$75 to around US\$750, leaving stocks sufficient to sustain the business into 2027 and beyond. He predicted renewed insecurity and a spread of cultivation into new provinces and the tribal areas under the influence of the TTP, a clear indication, he argued, of the narco-mafia working hand-in-hand with terrorism: the traffickers produce, the terrorists need the money, and they must cooperate. He traced how the post-ban contraction had already displaced cultivation

northward and across borders, into Badakhshan, toward Chitral and Tajikistan, and from the Helmand side toward Guzara, Dilaram and the tribal areas of Balochistan, with processing units migrating to wherever insecurity opened ungoverned space.

## 2. Corruption, addiction and the limits of eradication

He insisted that the role of corruption, in airports, police, border forces and even the army, is routinely underestimated, because officials rarely speak of it, yet it is the easiest mechanism by which large quantities are trafficked through official routes. He described the human cost vividly: poor labourers, men, women and children hired for the harvest become contaminated and addicted, driving Afghanistan's own addiction crisis, with parallel, often hidden, addiction in Iran that he had witnessed at first hand during his time working there. From experience, he judged crop eradication largely ineffective and unjust to ordinary farmers; far more valuable, he argued, is targeting the processing units, the collection points where poppy is converted, before the product reaches transit routes, citing successful 2017–18 operations that generated real results but were never consolidated because of insecurity. He also described how the processors entrap farmers, advancing them loans before the planting season so that the harvest is effectively pre-sold and the cultivator is bound into the trade by debt.

## 3. A comprehensive, collective response

Technology alone, Stanekzai cautioned, is insufficient, since traffickers are often a step ahead, exploiting drones and simple low-tech methods to cross borders undetected. He recalled cases in which catapult-like devices fired consignments two or three kilometres across a border into empty desert, to be collected where no patrol waited, and instances in which security personnel themselves moved loaded pickups through checkpoints. The deeper problem, he argued, is the use of drugs and terrorism as instruments of national-security policy by states: only by tackling governance, genuine regional cooperation and the refusal to weaponise narcotics and terror can the vicious circle be broken.

### Maj Gen Rajan Kochhar

*The Golden Crescent & India's Internal Security: Kashmir, Punjab & Border Management*

*Former MGAOC, Central Command*

Maj Gen Kochhar brought the discussion "closer home," commending Indian enforcement agencies for seizing roughly 8,000 kg of heroin annually while warning that the western land route feeds narcotics into Punjab, Jammu & Kashmir and Rajasthan with the active involvement of Pakistan's ISI and proxies such as Lashkar-e-Taiba and Jaish-e-Mohammed. He flagged the maritime route, citing the Mundra seizure, as a particular challenge given a coastline of some 7,500 km guarded by agencies that too often work in silos.

## 1. Kashmir, Punjab and the demographic toll

Citing NCB-derived open-source data, Kochhar estimated that 15–25 per cent of militant funding in Jammu & Kashmir flows through drugs, increasingly delivered by drones carrying 2–10 kg payloads of heroin, weapons and communication equipment, with the youth aged 18–20 the primary target, a problem rooted in employment, poverty and standard of living. He raised a sobering national-security concern from Punjab: youth presenting for army recruitment rallies were increasingly found physically unfit, such that traditional martial communities were no longer supplying the numbers, forcing recruitment from outside Punjab to fill regimental rolls. He described Rajasthan as a "new epicentre" and warned of the North-East spillover, where drug trafficking has contributed significantly to the Manipur crisis along the 1,643-km Myanmar border, guarded by an over-stretched Assam Rifles with minimal fencing.

## 2. Recommendations: a 360-degree, whole-of-nation approach

Kochhar offered concrete recommendations: a National Border Security Command, a unified, 360-degree structure spanning both the western and north-eastern fronts, modelled on the successful Unified Command in Jammu & Kashmir; a faster decision (OODA) cycle to recover the "golden hour" so often lost in enforcement; greater investment in human intelligence and the cultivation of informers; the fusion of the NIA with the NCB down to the district level; aggressive disruption of hawala and benami transactions; counter-drone systems including directed-energy weapons (he cited DRDO prototypes and the Israeli Iron Beam); demand reduction and youth education as "50 per cent of the battle"; and a drastically reformed legal system with fast-tracked courts and exemplary punishment, since "justice delayed is justice denied."

### Shahmahmood Miakhel

*From Fields to Global Markets: Trafficking Routes via Pakistan, Afghanistan & Iran*

*Former Governor of Nangarhar; Former Acting Defence Minister, Afghanistan*

Shahmahmood Miakhel mapped the traditional routes by which Afghanistan once produced 80–90 per cent of the world's opiates: south through Pakistan to Chaman, Torkham, Gwadar and Karachi; west through Iran to the Balkans and Europe; and north through Central Asia to Eastern Europe, with roughly half moving through Pakistan, following demand. Since the Taliban takeover, he confirmed, opiate production has fallen dramatically, but synthetic drugs, methamphetamine and captagon-type tablets, have risen sharply, again a supply-and-demand phenomenon with a heavy toll on the region's youth.

### 1. Governance, corruption and the wider illicit economy

Echoing earlier speakers, Miakhel stressed that enforcement is only about 10 per cent effective because of corruption, the complicity of security institutions, and the links between criminal networks and counter-terrorism interests. He widened the lens beyond drugs to the broader illicit economy: as a former governor of a resource-rich province, he described how mining, through both illegal looting and "legal looting" under licences that mask far larger extraction, fuels insecurity and instability, showing that the more corruption, the more insecurity. Some neighbours, he charged, use drug trafficking and the illicit economy for their own political objectives, with severe consequences for regional security and governance.

### 2. A humanitarian indictment

Miakhel closed with a grave humanitarian charge, to which the conference returned in Session 4, condemning the bombing of a drug-treatment centre in Kabul that, he said, killed some 400 people and injured more than 900. To bomb sick people undergoing treatment for a political objective, he argued, violates international and humanitarian law and must be condemned in the strongest terms. The solution, he concluded, requires a collective response across supply, demand and governance: "It is not one country's issue. It is not one region's issue. It is a global issue."

### Ajmal Sohail

*The Golden Crescent Nexus: From Production to International Market*

*Co-Founder & Co-President, Counter Narco-Terrorism Alliance, Germany*

Drawing on his work in actionable-intelligence analysis, Ajmal Sohail offered the session its most explicitly network-centric account of the Golden Crescent, tracing the trade from cultivation and processing through to its

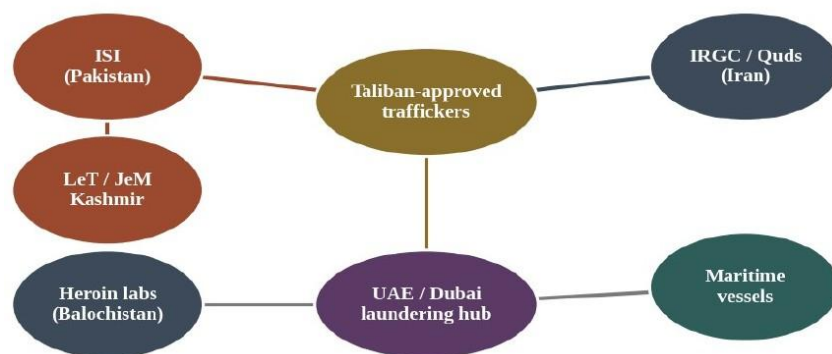
delivery into international markets, and naming the state and non-state actors who facilitate each link. His central contention was that the Golden Crescent's narcotics economy is a state-facilitated system rather than a free market of independent smugglers, one in which intelligence services and security institutions act as active enablers rather than bystanders.

### 1. A state-facilitated network, not a free market

Sohail described how, in the current period, a set of approved traffickers operate with the tolerance, and at times the protection, of those who hold power on the ground, while across the border established intelligence structures provide routing, protection and political cover. He situated Pakistan's ISI and Iran's IRGC/Quds apparatus at the heart of the facilitation layer, with heroin-processing capacity in the Balochistan borderlands feeding both regional consumption and export. In his account the network functions as an integrated enterprise: production in one jurisdiction, processing in another, financial settlement in a third.

The laundering and settlement hub, in Sohail's analysis, sits in the Gulf, above all Dubai and the wider UAE, where proceeds are cleaned through real estate, trade and informal value transfer before re-entering the legitimate economy. The most dangerous feature of the system, he argued, is the drugs-for-weapons exchange: narcotics revenue and barter are converted into modern small arms and optics. He referenced Western-pattern rifles and thermal sights left behind in the region, which then flow to insurgent and terrorist organisations, including groups oriented towards Jammu & Kashmir such as Lashkar-e-Taiba and Jaish-e-Mohammed.

**Golden Crescent: State-Facilitated Narco Network (per A. Sohail)**



**Figure 13.** Golden Crescent state-facilitated network as described by Ajmal Sohail: approved traffickers, ISI and IRGC facilitation, Balochistan processing, Gulf laundering, and a drugs-for-weapons pipeline to Kashmir-oriented groups (IRF rendering of testimony).

### 2. From production to the international market

Following the trade downstream, Sohail traced how product moves from processing sites along the western land routes and the Makran maritime corridor towards the Gulf, Africa and Europe, while a share is pushed eastward into the South Asian market. He stressed that the post-2022 contraction in Afghan opium has not dismantled this architecture; it has incentivised a pivot to synthetics and a tightening of the relationship be-

tween the trafficking networks and their state facilitators, who retain both the routes and the financial plumbing. The market, he observed, adapts faster than the enforcement response.

### 3. Implications for India and the response

For India, Sohail's assessment reinforced the session's recurring warning: the same network that arms Kashmir-oriented groups also feeds narcotics into Punjab and the hinterland, so the drug problem and the terror problem are, in this theatre, the same problem. His prescription matched the conference consensus: target the financial settlement layer in the Gulf, share actionable intelligence across partners rather than hoarding it, and treat the trafficking-facilitation nexus as a hostile state-linked activity rather than ordinary crime.

*In the Golden Crescent, the traffickers do not work around the state. They work with it. That is what makes this a security problem, not a policing problem.*

— Ajmal Sohail

### Analytic Commentary

Read together, the Session 1 testimony supports a clear analytic judgement: the Golden Crescent is best understood as a mature politico-criminal system in which production, facilitation and finance are distributed across cooperating jurisdictions and protected by elements of the state, rather than as a production region that happens to attract criminality. The 2022 opium ban did not break this system; it stress-tested it, and the system adapted, raising prices, drawing down stockpiles, shifting north and pivoting to synthetics while preserving its routes and its financial plumbing. The key indicator for an analyst is therefore the resilience of the facilitation and laundering layers, which the ban left intact, not the cultivation figure.

Three implications follow for India. First, because the network is state-facilitated, enforcement pressure applied only to couriers and street-level distribution will not degrade it; the centre of gravity is the financial settlement layer in the Gulf and the protection layer across the border. Second, the drugs-for-weapons exchange means that successful narcotics interdiction and counter-terrorism are the same campaign in this theatre, not adjacent ones, a point with direct organisational consequences for how India structures its agencies. Third, the displacement of cultivation and the pivot to synthetics imply that the western threat will increasingly arrive as precursor chemicals and finished synthetic product rather than as heroin alone, requiring a corresponding shift in detection and regulatory effort.

#### ANALYST'S NOTE · Golden Crescent · Net Assessment

The western theatre is assessed as a resilient, state-facilitated system whose centre of gravity is financial and protective, not agricultural; cultivation metrics understate the residual threat.

The drugs-for-weapons nexus fuses the narcotics and terror problems in this theatre; treating them separately concedes the networks' principal advantage.

Expect the western threat to India to migrate from heroin towards precursors and synthetics, tracking the post-ban adaptation already under way.

**SESSION 1 · KEY TAKEAWAYS**

- ▶ The Golden Crescent system is sustained by finance, not cultivation; hawala remains its resilient core, increasingly hybridised with crypto and fintech rails.
- ▶ The 2022 Taliban opium ban reduced cultivation by 80–95% but displaced the trade, northwards, into synthetics, and into rising regional prices and stockpiles.
- ▶ Drug economies are political systems embedded in governance and the rural economy; coercive bans rebound unless root incentives are addressed, and farmers are rational, not ideological, actors.
- ▶ India faces an aerial revolution in trafficking (drones) and a maritime challenge along 7,500 km of coastline, with agencies too often working in silos.
- ▶ Recommended responses converge on a unified border-security command, NIA–NCB fusion, financial disruption, human intelligence, counter-drone capability, demand reduction and legal reform.
- ▶ The trade is a state-facilitated network (Sohail): ISI/IRGC enablement, Gulf-based laundering, and a drugs-for-weapons pipeline that arms Kashmir-oriented groups, making this a security, not merely a policing, problem.

## SESSION 2

# The Andean Cocaine Complex

## *Production, insurgency & global supply*

Chairing from Athens, Dr. John Nomikos framed the Andean cocaine complex as a problem already arriving on Europe's doorstep. Sinaloa had tried to open channels into Poland and Germany. The Balkans, with organised crime entrenched in Bosnia-Herzegovina and Kosovo, were highly vulnerable, and Albanian and Kosovar networks were stationing themselves in Ecuador and Paraguay. "What's happening in your backyard," he told the American and Latin American panellists, "is coming to us." The session, he argued, showed that the threat is a single global network.

### Leonardo Silva

*From the Andes to Global Markets: Trafficking Routes & Transnational Networks*

*Former DEA Resident Agent in Charge; Author*

Drawing on a decade in Mexico, Leonardo Silva described Andean trafficking organisations as relentlessly creative and profit-driven. The Andean region, he noted, is responsible for 90–95 per cent of all cocaine globally, and Colombia's Clan del Golfo (Beltrán Leyva-linked) is now the largest trafficking organisation on the planet, larger, in his assessment, than CJNG or Sinaloa because it controls production. As production has increased through technology, these organisations have expanded into Europe.

#### 1. West Africa as a transshipment nest

Silva's central point was the exploitation of corruption and the lack of port oversight. Cocaine is increasingly routed through West Africa, where loads are broken down and forwarded to Europe through ports with minimal oversight. He described West Africa as a "nest" where drug-trafficking and terror networks interact: their goals differ, but both need to move product and money through the same corridors. The key enabler everywhere, he stressed, is corruption. Seizures may make headlines, but they barely dent production, which thrives wherever oversight is weak.

#### 2. Rule by fear, and the limits of interdiction

From his Monterrey years he recalled how cartels, the Zetas above all, rule by fear, taking violence and intimidation to extremes never before seen in Mexico, much of it partially facilitated by government corruption. Interdiction alone, he argued, is a losing proposition: as long as production thrives and corruption persists, the machine continues. Meaningful disruption requires sustained international cooperation against the corruption that allows these systems to operate fluidly.

Silva drew on the events recounted in his book *Reign of Terror* (published in Spanish as *El reinado del terror*) to convey how far that violence could reach. Tasked with dismantling the leadership of the Zetas, one of the first cartels to videotape executions and torture and post them online, his office in Monterrey became, he said, the ground zero of a war between the Zetas and the Gulf Cartel. The conflict reached the United States' own diplomatic presence: the Zetas threw two grenades at the U.S. Consulate while he was posted there, and the agency lost employees assigned to the consulate, an attack that marked the beginning of an open war between

the DEA and the Zetas. He offered the account as evidence of the stakes. Organisations willing to attack a consulate and broadcast their brutality are not ordinary criminals to be managed by routine policing, and the corruption that shields them is what allows such violence to go unanswered.

## Armando Johan Abdola

*Illicit Financial Networks, Shell Structures & "Narco-Terrorism 3.0"*

*Chairman, IOSI Global; Former Chief of Counter-Narcotics, Venezuela*

Armando Johan Abdola opened with a blunt proposition: what the Andean region faces has moved past a drug-trafficking problem in the conventional sense, to the consolidation of a transnational architecture of hybrid criminal power. The Andean cocaine complex, he argued, has evolved into a system that links production, territorial violence, corruption, financial concealment, political penetration and global market expansion. Beyond cocaine, it exports institutional distortion, insecurity and strategic instability.

### 1. A new stage: parallel power systems

He defined this phenomenon as "narco-terrorism 3.0," a stage in which trafficking organisations function as criminal enterprises and as parallel power systems. They finance violence, penetrate institutions, influence governance, corrupt security structures, exploit legal markets and, in some cases, align with armed or politically protected networks. This is the fusion of organised crime, terrorism and corruption, operating through globalised logistics and concealed finance, a fusion many states still fail to understand.

### 2. When the state is captured, not merely absent

The most important transformation, Abdola argued, is structural, not agricultural or geographic. The old hierarchical cartel model has given way to a flexible system of producers, brokers, transporters, armed enforcers, corrupted officials, money launderers and political protectors, operating through temporary alliances and overlapping jurisdictions. In parts of Latin America, he warned, the real question is whether the state has been partially infiltrated, neutralised or captured by criminal interest: trafficking matured into "criminal governance."

### 3. A testimonial warning to India

Speaking from personal experience, having been Chief of Counter-Narcotics in Venezuela before fleeing as a refugee in 1997, after which Venezuela became, in his words, the hemisphere's first narco-terrorist state, Abdola traced the convergence of Colombian and Mexican cartels, Hezbollah's gold-mining and cocaine operations, and the global expansion of these networks from Mexico to Argentina and beyond. India, he warned, must learn about this aggressive expansion in order to adapt: the threat is a global network of proxies, beyond the local or even the regional, and confronting it is a matter of national security "in a very heavy and serious situation." He also pressed the structural obstacle of corruption, the "age of rupture" in which bureaucratic governments fail to re-adapt while organised crime, with money and technology, compromises both law enforcement and democracy itself.

He recounted his own story to make the warning concrete. As counter-narcotics chief he had watched Colombian cartels infiltrate and expand across Venezuela, corrupting judges, generals and officials, the network notorious as the "Cartel of the Suns," so named because the generals of the National Guard who ran it wore sun insignia on their epaulettes; what began as the cartel of one sun became, as it spread up the ranks, the cartel of many suns. He lost officers, military and police colleagues working under him, and survived several attempts on his own life before going to the National Congress in the early 1990s to warn ministers and leg-

islators, in his words, that the country was being lost: the government, the congress, the judges, the whole structure was under attack and infiltrated. In 1997 he reached Canada as a refugee; by 2000, he said, the revolution had arrived and Venezuela became the hemisphere's first narco-terrorist regime, a country he described as once among the richest and most stable in Latin America, undone, in his telling, by a populist with a "sweet mouth" who hollowed out its institutions from within.

Abdola argued that the Venezuelan system became a hub for the wider fusion he calls narco-terrorism 3.0. From 2005, after the regime expelled the U.S. DEA, it opened its doors to Iran and, through it, to Hezbollah, which moved beyond transport into the laundering of drug proceeds through Africa and Europe, and was granted gold and diamond mines in the country's south, using the proceeds to finance itself and to buy influence with governments across Africa. He illustrated the political denial that shields these networks with an episode from a homeland-security conference in Doha some years earlier: when he spoke about Hezbollah's operations in Latin America, a participant from the group reacted furiously, and a foreign-ministry general warned him the interview he had given would never be published, to which he replied that the problem would not disappear by being ignored, since the cocaine was already arriving in the Gulf. Qatar, he noted, did ultimately publish the interview; other states in the region, facing severe drug problems of their own, were less willing to acknowledge it. His core message for India was that the same network had been steadily expanding eastward, Asia, he said, was "the last frontier," and that India's large market made it an attractive target for infiltration through money and fear unless it prepared in advance.

*"This is not organised crime. This is not just terrorism. This is not just corruption. It is the fusion of all three, operating through globalised logistics and concealed finance."*

— Armando Johan Abdola

## Maj. Namrata Dhasmana

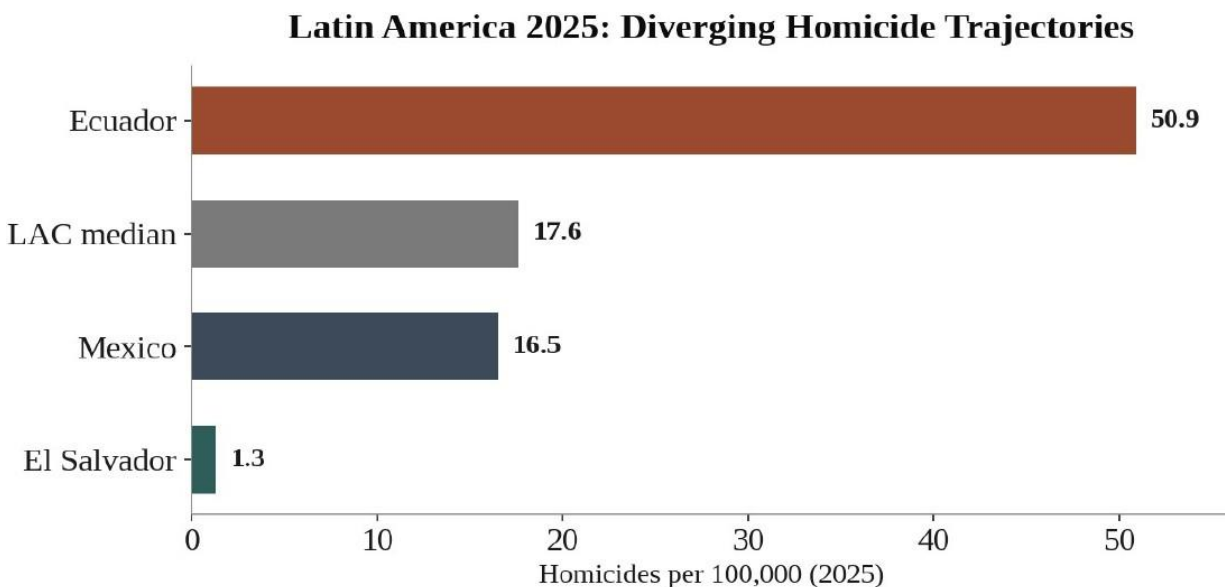
*In the Crosshairs: Sovereign Authority & Institutional Resilience*

Author; Chief Strategist, Centre of International Futures

Maj. Namrata Dhasmana reframed the crisis as one of governance. "Imagine waking up in a neighbourhood where the local gang leader, not the mayor, not the police, decides who gets electricity, who pays taxes, and who lives or dies," she said. "That is daily reality for millions across Latin America, where narco-economies have put sovereign authority directly in the crosshairs." Her own work as an author of *Underworld Tyranny* grew from leading troops during the rise of organised stone-pelting and asking where the money came from.

### 1. The scale, and the divergence

Dhasmana grounded her argument in data. In 2025, Latin America and the Caribbean recorded at least 108,838 murders, nearly 300 people killed every day, with a regional median homicide rate of about 17.6 per 100,000. But the picture is fragmented: Ecuador, once among the region's safest countries, saw its rate hit a record 50.9 per 100,000 (up 31 per cent) amid gang turf wars, while El Salvador, the former "murder capital of the world," fell to 1.3 per 100,000 under President Bukele's mass-arrest crackdown, a sharp security gain whose long-term human-rights and democratic costs remain debated. Mexico, meanwhile, fell about 20 per cent to roughly 15–17.5 per 100,000.



**Figure 14.** *Diverging 2025 homicide trajectories across Latin America, as presented by Maj. Namrata Dhasmana, from El Salvador's emergency-rule crackdown to Ecuador's collapse into gang violence.*

## 2. Criminal governance and "plata o plomo"

These numbers, she argued, tell a clear story: narco-terror economies are about power, not just drugs. Criminal groups have diversified into extortion, illegal mining, fuel theft and human smuggling, and in weak areas provide order, jobs and infrastructure, becoming a parallel government, or "criminal governance." The classic mechanism is *plata o plomo*, silver or lead: bribes or bullets corrupt officials, infiltrate police, suborn judges and capture politicians, until institutions erode and citizens turn to criminals for protection, a vicious cycle in which weak governance creates space for narco power, which further weakens governance.

## 3. Five pillars of resilient governance

Her proposed framework, "from crosshairs to fortress," rests on five pillars: security with presence (pairing militarisation with real state presence: teachers, doctors and social workers, not just soldiers); institutional armour (anti-corruption reforms, independent judicial vetting, transparent hiring and whistleblower protection so institutions grow stronger under pressure); economic alternatives (formal employment, education and skills training, especially in cocaine-growing regions, to cut the recruitment pipeline); regional and international cooperation (intelligence sharing and coordinated pressure on money laundering that respects rather than undermines sovereignty); and rebuilding legitimacy (transparent justice, victim support and measurable improvements in daily life). "We do not have to choose between security and democracy," she concluded. "We can have both, if we design institutions strong enough to resist capture, flexible enough to adapt, and legitimate enough to earn public support."

In the discussion that followed, the chair and panellists returned repeatedly to two obstacles: corruption, invoked, the chair noted, more than a dozen times across the session, and the difficulty of building trust for genuine intelligence sharing across very different cultures and protocols, from the Balkans to the Gulf to West Africa. Silva and Abdola located the root of corruption in poverty and inadequate pay, which leaves police and officials vulnerable to a choice between double or triple their salary and the threat of *plata o plomo*; the an-

swer, they argued, lies in dedicated, well-paid, protected officers and in looking after the local informers whose human intelligence so often proves decisive.

### **Analytic Commentary**

The Andean session's analytic value lies in its account of how a production economy becomes a governance economy. The progression the speakers traced, from trafficking, to insurgent taxation, to "criminal governance" in which the organisation substitutes for the state, is a maturation curve, not a fixed condition, and it can be read as a warning of trajectory rather than a description of any single country. The decisive variable across the cases presented was the quality of governance, not the quantity of cocaine: the same enforcement intensity produced stabilisation in one polity and fragmentation in another, depending on whether it was paired with institutional reform and legitimacy. For the analyst, this argues against treating seizure volumes or homicide rates in isolation; the meaningful indicator is the direction of the governance curve.

The West Africa transshipment dimension carries the most direct implication for the rest of this report. It is the hinge that connects the Andean complex to the terror-finance networks examined in Session 6, and it shows that a production theatre on one continent can underwrite armed groups on another through nothing more than a weakly governed coastline and a corrupt port. The lesson for India turns less on cocaine, a comparatively minor part of its own threat picture, than on the structural principle: every production zone ultimately reaches a market through a laundering system and a permissive jurisdiction, and it is those two nodes, not the crop, where disruption is most efficient.

#### **ANALYST'S NOTE · Andean Complex · Net Assessment**

The threat's severity is governed by the trajectory of state legitimacy rather than by drug volume; enforcement without institutional reform can stabilise or fragment, as the divergent Latin American cases show.

West African transshipment is the structural bridge between Andean production and the terror-finance networks of Session 6, and a model of how weak coastlines export instability.

For India, the transferable lesson is the disruption principle: target the laundering system and the permissive jurisdiction rather than the commodity.

#### **IMPLICATIONS FOR INDIA · Reading the Andean Lesson**

Cocaine is a minor part of India's own threat, but the Andean model of criminal governance is a warning of trajectory: the same maturation curve, trafficking, to taxation, to parallel authority, could unfold in any weakly governed Indian periphery if the narco-economy is allowed to root.

The West Africa transshipment model shows how a corrupt coastline exports instability across continents; India's 7,500 km coastline and busy ports make the analogy directly relevant to its maritime security posture.

The decisive variable is governance legitimacy rather than seizure volume, an argument for pairing enforcement in border regions with institutional reform and economic alternatives.

**SESSION 2 · KEY TAKEAWAYS**

- ▶ The Andean region supplies 90–95% of the world's cocaine; production has increased and is expanding into Europe via West African transshipment hubs exploiting weak port oversight.
- ▶ The threat has evolved into "narco-terrorism 3.0" / "criminal governance," parallel power systems that penetrate or capture state institutions rather than merely operating outside them.
- ▶ Governance, not firepower, is the decisive variable: El Salvador's crackdown and Ecuador's collapse show how enforcement without institutional reform can either stabilise or fragment.
- ▶ A five-pillar resilience framework (security with presence, institutional armour, economic alternatives, co-operation, and rebuilding legitimacy) offers a governance-first path "from crosshairs to fortress."
- ▶ Corruption rooted in poverty and the difficulty of building cross-cultural trust are the principal obstacles to effective intelligence sharing.

## SESSION 3

**Mexico***Cartels, the synthetic drug revolution & the globalisation of narcotics*

Chairing and moderating the session, Hriday Raval of the Indic Researchers Forum framed Mexico as the most dynamic and rapidly transforming theatre in the global narcotics sector. Building on the evolving drug economies and transnational networks examined in the earlier sessions, he located Mexico at the centre of a deep structural shift, from plant-based narcotics to highly potent synthetic drugs such as methamphetamine and fentanyl, that has altered the economics of trafficking. Production is now faster, cheaper, less geographically constrained and far more lethal, and cartels have become vertically integrated, technologically adaptive entities operating across continents and, in several regions, functioning as quasi-state actors. Mexico, he stressed, is a critical node in a rapidly globalising narcotics network, not an isolated case, and one that demands a coordinated, multi-dimensional response.

**Dr. Barry Zulauf**

*The U.S. Approach to Counter-Narco-Terrorism from Mexico: Successes, Failures & Lessons*

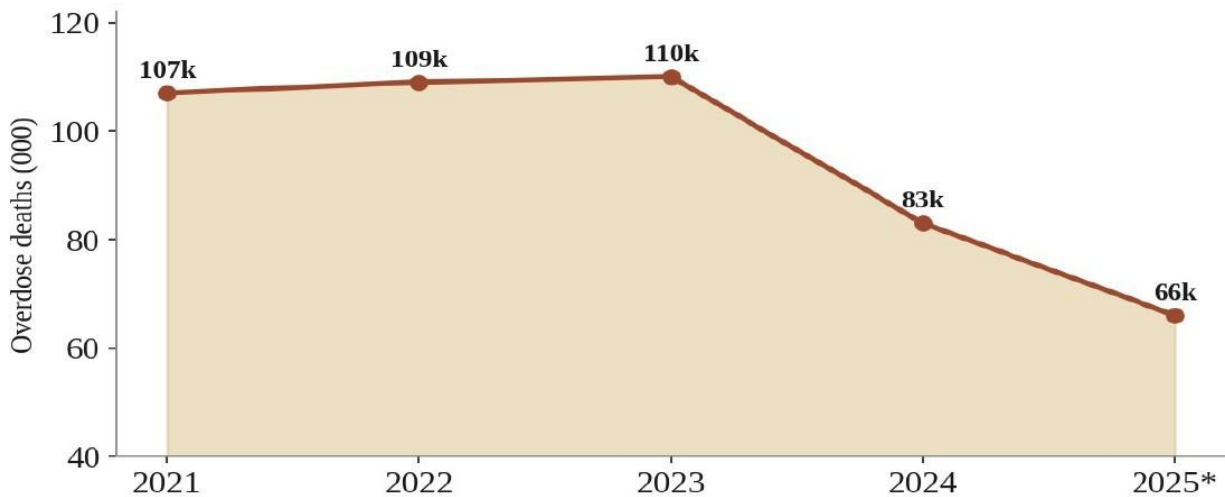
*Professor of Applied Intelligence, Georgetown University*

Speaking in his personal capacity after a 40-year federal career, Dr. Zulauf described a recent and fundamental change in the United States' approach. Until recently, counter-narcotics was treated as a law-enforcement or border-control issue, with only secondary attention to its terrorism links. With the rise of synthetic opioids smuggled from Mexican cartels, their precursor chemicals coming mostly from China and, he noted candidly, somewhat from India, this formerly law-enforcement problem now constitutes a national-security threat far more serious, in the U.S. view, than Afghan heroin ever was, and in terms of continual loss of life, than Salafi-jihadist terrorism.

**1. The scale of fentanyl and the strategic pivot**

The numbers are catastrophic: annual opioid deaths approached 100,000 a year in the mid-2020s, "a 9/11 every couple of weeks." Zulauf argued that the answer has been to pull together all the levers of power: a series of executive orders sealing the south-west border and initiating the designation of cartels as Foreign Terrorist Organisations; a national defence strategy that, for the first time, lists the border and cartels above Russia and China; and a Director of National Intelligence threat assessment that places narcotics and border control at the very top. He cited a reported fall in overdose deaths to around 38,000, more than a 50 per cent drop in roughly a year, as evidence of what a whole-of-government approach can achieve.

## United States: Drug-Overdose Deaths & the Fentanyl Inflection



**Figure 15.** U.S. drug-overdose deaths and the fentanyl inflection, as described by Dr. Barry Zulauf and other speakers (figures approximate, drawn from CDC and DNI testimony). Speakers attributed the decline to naloxone saturation, border enforcement and disruptions in supply.

### 2. Cartels as conglomerates, not terrorist cells

Zulauf drew a careful distinction. Although legally designated FTOs, the cartels differ fundamentally from terrorist groups: they have no political agenda and do not wish to overthrow the Mexican or U.S. governments. Much the opposite, they want a corruptible government that lets them do business and a U.S. consumer market that buys their drugs. To understand Sinaloa, he argued, one should look at a multinational corporation like Procter & Gamble rather than at a group like Hezbollah. Where terrorists need only modest sums (he cited an estimate that 9/11 cost about half a million dollars), the cartels make trillions: money is the goal, and they will switch products, from marijuana to meth to fentanyl, by a cold profit-and-cost calculus.

### 3. Target the organisation; raise the cost; chase the money

The strategic implication, Zulauf argued, is to target the organisations themselves rather than chase particular drugs or interdict mass flows, a losing proposition when traffickers can always shift delivery. The task is to raise the cost (destroying boats, seizing money, shutting labs, arresting people) and lower profitability until a product is no longer worth it. This is grey-zone conflict, not open war, and it demands resolving the inter-agency frictions (access to information, US-person data, classified intelligence) that impede sharing, alongside improved human intelligence inside violent organisations. His central plea was for partner nations to adopt the same integrated, whole-of-government posture; several European and North American governments, he noted, have already created a "fentanyl czar" in the prime minister's office.

He gave the example of Italy, where he had spoken with the fentanyl coordinator in the prime minister's office. Italy, that official had told him, did not yet have a fentanyl problem, and, having watched what the drug had done to the United States, was determined to prevent one, standing up a top-level coordinating function preemptively rather than after the crisis arrived. Canada, Zulauf noted, had taken a similar step. The lesson he pressed on his audience was that the institutional architecture, a single empowered office pulling together de-

fence, intelligence, law enforcement, finance and diplomacy, is itself a form of prevention, and is far cheaper to build before a synthetic-opioid epidemic takes hold than to retrofit during one.

Zulauf framed the threat in the terms his government now uses: the combination of decades-old cartel trafficking patterns, an unprecedentedly lethal drug in fentanyl, and precursor chemicals supplied from China amounts, in the U.S. assessment, to a weapon of mass destruction brought into the country from a foreign source, which is precisely why it is being treated as a national-security matter rather than a policing one. Yet he was careful not to reduce the response to interdiction and pressure alone. The fall in overdose deaths, he stressed, owed as much to the demand side as to enforcement: the saturation of communities with naloxone (Narcan), which reverses overdoses, alongside education and treatment. His ideal outcome was almost wistful: a future in which the violence and lethality had been driven down far enough that trafficking organisations could once again be handled as a law-enforcement problem rather than a national-security emergency.

## Margarito "Jay" Flores

*Inside the Business of Cartels: A Former Kingpin's Case Study*

*Former Drug Kingpin; Founder & CEO, Kingpin to Educator LLC*

In one of the conference's most extraordinary testimonies, Margarito Flores, who with his twin brother ran one of the largest trafficking networks in U.S. history before cooperating against the Sinaloa Cartel, spoke (masked, for safety) about how these organisations actually work. He began trafficking at the age of seven, running drugs across the border with his father before he was eight; at his peak his organisation moved some 1,500 kilos of cocaine monthly in the U.S. Midwest. "I was American first," he said, framing his insight as that of someone who saw the business from the inside.

### 1. A linear system, not a pyramid

Flores challenged the central misconception of enforcement: that decapitating an organisation collapses it. Cartels, he argued, work as linear systems rather than pyramids, fragmented groups of important figures and organisations working together, each with a different role. "Remove Jeff Bezos and you still get your Amazon packages; Steve Jobs died years ago and Apple still leads the world." What makes Mexican cartels strong is that they partner with organised-crime syndicates worldwide (bikers, the Italian mafia, the triads) in an open, free-enterprise market, not that they control regions.

### 2. The business of cash

His most striking argument concerned money. While cryptocurrency and digital laundering matter, he insisted that the under-targeted core of the business is bulk cash. His organisation alone moved over US\$3 billion in bulk U.S. currency; for every kilo of narcotics, roughly one-and-a-half to two kilos of currency must be moved back to source countries. Drug traffickers, he stressed, separate the business of drugs from the business of money, two distinct entities that are never mixed, whether at the level of a cartel or a street dealer. Last year, he noted, U.S. authorities seized perhaps a million pounds of narcotics but only around US\$105 million in currency, a fraction of what flows. "You take away the money," he argued, "and you take away the power."

He pressed the physical reality of cash to make the point concrete. Because the common street denomination is the twenty-dollar bill, the weight of currency a large organisation must move is staggering: his own network moved an average of some 3,000 metric tons of cash back into Mexico, and as a rule of thumb every pound or kilo of narcotics sold generates a kilo and a half to two kilos of banknotes that must be physically returned to the source country. This, he argued, is the single most overlooked vulnerability in the entire system.

Enforcement celebrates drug seizures because they are the visible reward of an investigation, yet the cash, heavier, slower and far harder to replace than the drugs, moves back across the same borders with comparatively little interdiction. A trafficker, he observed, can always make more drugs; he cannot so easily make more money.

The popular image of the cartel, Flores added, is misleading. The masked figure in a tactical vest cradling a rifle is real enough, but it is a symptom of the money, not the business itself: the men and the weapons are what the profits buy, not what generates them. The business is logistics and cash management, unglamorous, corporate and relentlessly focused on margin. It was this, he said, that he and his brother understood, and it is this that enforcement most often misses when it fixates on the spectacle of violence rather than the flow of value.

### 3. Intelligence, deterrence and the China–India precursor link

Flores confirmed importing precursors from China and, specifically, from New Delhi, using commercial cargo to make methamphetamine before the fentanyl era. He argued that what drug lords fear most is American law, not Mexican prison, because it punishes crime and acts as a genuine deterrent; the lack of comparable laws and intelligence frameworks in many countries is what makes organisations strong, because no one is incentivised to break away and cooperate. The most important tools, he said, are intelligence and informants, insiders like himself, and the laws that make cooperation enticing. As precursor sources shift under pressure, he warned, countries like India become ever more central to the synthetic supply chain.

He was candid about why insiders so rarely turn. In jurisdictions without robust laws or witness-protection frameworks, there is simply no incentive to break away: cooperation brings danger without reward, so the organisation's cohesion holds. The United States, by contrast, had made cooperation rational, its sentencing regime and its capacity to protect those who testify created a path that he himself, ultimately, chose to take. Replicating that calculus elsewhere, he argued, is one of the most powerful and least expensive things a state can do to weaken these organisations from within: change the incentives, and the linear network that looks so resilient begins to fracture. He closed by urging governments to treat the cartels as the businesses they are, mapping their logistics, their partnerships and above all their cash flows, rather than as a parade of kingpins to be picked off one by one.

*"We were not measuring our success by the kilos we were selling. We were measuring it by the money we were making. Treat them like a business, and fight them like a business."*

— Margarito "Jay" Flores

#### Mike Chavarria

*Cartels in Mexico: Parallel State, Violence & Power Struggle*

*Former Supervisory Special Agent, DEA*

Mike Chavarria, a 32-year DEA veteran, traced the evolution from the mid-1980s, when three relatively low-violence cartels operated, to today's two "mega-cartels," CJNG and Sinaloa, of which CJNG is the clear global threat, supported by some twenty to twenty-five subordinate mini-cartels. The cartels, he argued, hold a structural advantage: "They don't deal with budgets, bureaucracy or sovereignty issues. They have one goal, money, power and control, while we are constrained by budgets, lawyers and multiple agencies with different agendas."

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## 1. How CJNG became a quasi-state with an army

Chavarria explained CJNG's power through its lineage: it inherited the Valencia family's Milenio Cartel, already importing a third of all cocaine entering Mexico and pioneering the methamphetamine-precursor pipeline from China, India, Germany and Turkey. CJNG operates like a corporate entity but is also quasi-governmental and commands an army, as the violent nationwide response to the takedown of its leader "El Mencho" demonstrated, explosions and assaults across many states, proof of its presence in every Mexican state.

## 2. The roots of the violence

He traced today's violence to a sequence of decisive events he had lived through in his career. When he joined the DEA in 1985, the picture was almost unrecognisable: three relatively low-violence organisations (the Guadalajara, Juárez and Gulf cartels) operated with little of the open warfare seen today, most bloodshed being internal to a single group. Two events that year and shortly after drew international attention to the Mexican threat: the 1985 kidnapping, torture and murder of a DEA agent near the U.S. consulate, and the 1993 killing of Cardinal Posadas Ocampo at Guadalajara airport, still an unsolved homicide, a man caught, Chavarria said, in the wrong place at the wrong time.

The first true drug war, he recounted, broke out after the Guadalajara cartel was dismantled around 1989, when under-bosses of the emerging Sinaloa Federation (figures such as Chapo Guzmán and Mayo Zambada) went to war with the Arellano Félix family over the lucrative Tijuana corridor, the first time the world saw a Mexican drug war play out openly. The next escalation came when Osiel Cárdenas of the Gulf Cartel recruited a cadre of Mexican special-forces soldiers as enforcers; dissatisfied with a subordinate role and alert to the profits on offer, they broke away to form the Zetas, importing a military professionalism and a theatrical brutality (filmed executions, bodies hung from bridges) that had never before been seen in Mexico. Cárdenas, whom Chavarria met after his 2007 extradition, had warned that without him the Gulf and the Zetas would fracture and violence would spiral, which is precisely what happened.

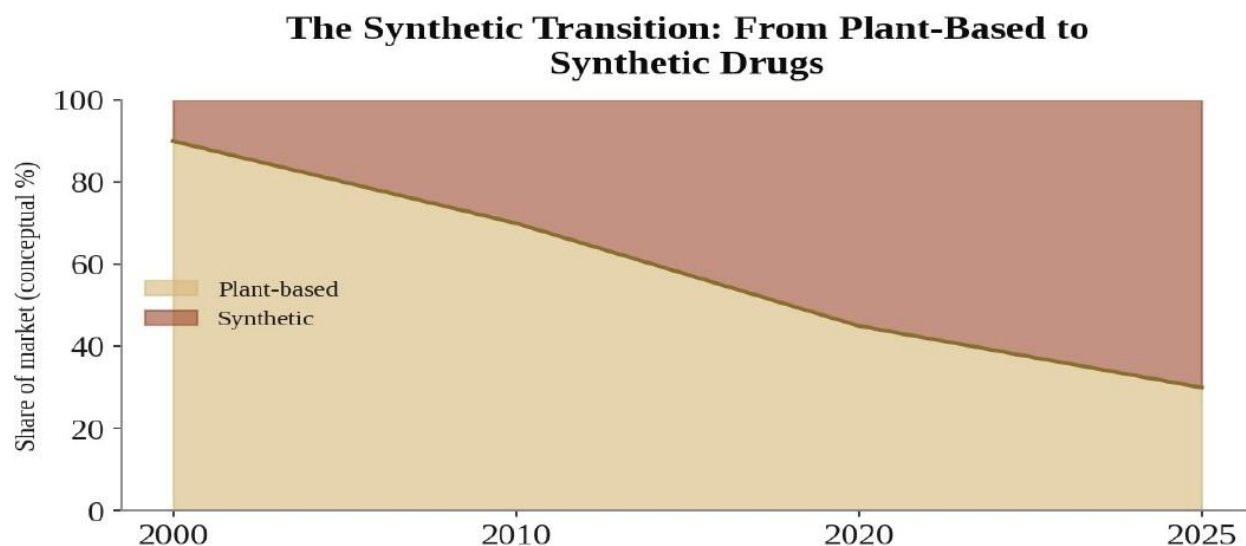
The 2006–2012 campaign under President Calderón, Chavarria continued, succeeded in fracturing the Gulf and the Zetas, but at the cost of a surge in violence resembling a Middle-Eastern combat zone, and amid persistent allegations that elements of the Mexican state were aligned with the Sinaloa cartel even as it helped fight that war. Simultaneous infighting within Sinaloa, between Chapo, Mayo, the Beltrán Leyva brothers and others, splintered the picture further. The cumulative result is the present configuration: two mega-cartels and a constellation of perhaps twenty to twenty-five subordinate groups, with violence now woven into every form of organised criminality from fuel theft to extortion.

## 3. Follow the value, not just the dollar

On finance, Chavarria agreed with Flores on the importance of bulk cash but argued that the transfer of value is now outpacing it: cryptocurrency, the dark web and digital assets moving value across oceans through witting and unwitting brokers, with DEA investigations focused on Mexico, China and the United States. Like every other speaker, he insisted that the only durable solution is a unified partnership across law enforcement, intelligence and military assets worldwide, underpinned by human sources embedded inside the organisations: "they can make more drugs; they can't make more money. That's where they get hurt." He closed by describing Mexico as "a state in crisis," with the spillover of violence already reaching his father's native Costa Rica, once a peaceful country, now feeling the effects of Mexico's violence growing beyond its borders, even as he insisted that the great majority of Mexicans are law-abiding people who want an end to the bloodshed.

**Dr. Alba Maria Gonzalez Rolon***The Rise of Synthetic Drugs: Methamphetamine, Fentanyl & the New Drug Economy**Former Judge, Specialized Criminal Court for Organized Crime, Paraguay*

Dr. Gonzalez Rolon described a deep transformation of the criminal economy. For decades, drug trafficking conjured illicit crops, land routes and hidden shipments; today the centre of gravity has shifted to synthetic drugs (methamphetamine and fentanyl) governed by a logic that is more flexible, more profitable and far harder to control. Mexico, she argued, can no longer be understood as a transit country; it has become a strategic hub for the production, criminal assembly, logistics and exportation of synthetic drugs.



**Figure 16.** *The shift from plant-based to synthetic drugs (conceptual) that Dr. Gonzalez Rolon placed at the centre of the new criminal economy, uncoupling production from geography and agriculture.*

### 1. Five transformations

She identified five transformations wrought by synthetic drugs. The industrialisation of crime: clandestine labs can be installed, dismantled and relocated quickly, making organisations far more resilient than crop-based production. Dependence on global precursor supply chains: final products are made in Mexico but their chemical components originate abroad, making trafficking transnational from its very origin. Extreme profitability: fentanyl, up to 50 times more potent than heroin, lets traffickers move tiny quantities with massive distribution potential. Lethality: tens of thousands of annual U.S. deaths linked to synthetic opioids. And adaptability: distribution through traditional routes as well as digital platforms, social media and fragmented networks.

### 2. A flexible, globalised, technologically integrated economy

The result, she concluded, is a criminal economy that is flexible, globalised and technologically integrated, one in which Mexico has evolved from a transit platform into a primary manufacturing hub, with the Sinaloa Cartel and CJNG consolidated as the central actors of this new synthetic economy. The structural lesson for other countries, including India, is that where a laboratory is dismantled another can quickly be re-established, a resilience that crop eradication never had to contend with.

## Stefano Ritondale

*Cartels Beyond Mexico: Transnational Networks & the Sinaloa Civil War*

*Co-Founder & Chief Intelligence Officer, Artorias*

Stefano Ritondale offered an analytical coda on how Mexican cartels operate internationally. Their presence abroad, he argued, is dictated by transactional logic rather than by territorial ambition or violence, in contrast with the savagery inside Mexico. The Sinaloa Cartel's civil war, for instance, has been confined within Mexico and not exported to its operations in India, China, Europe or Africa; even the military alliance between Los Chapitos and CJNG is a battlefield arrangement of gunmen inside Mexico, not an integration of their international trafficking models.

### 1. A resurgence of cocaine

Looking ahead, Ritondale argued that despite the focus on synthetics, the world is witnessing a rebirth and surge of cocaine. Prices are falling in the United States, Europe and Australia as South American product floods international markets, and cartels are returning to the "true and proven" cocaine trade now that marijuana is produced domestically within the United States. The key emerging trend, he predicted, is cartels manufacturing synthetic drugs in the countries where they are located, reducing reliance on precursor exports, with case studies already visible in Europe, India and Kenya.

### Analytic Commentary

The Mexican session reframes the entire problem set by insisting on a distinction that is easy to lose: the Mexican cartels are, in the words of more than one speaker, profit-maximising enterprises rather than ideological organisations, and the apt comparison is a multinational corporation rather than a terror group. This matters analytically because it predicts behaviour. An enterprise optimises for margin and continuity, switches products on a cost-benefit calculus, and seeks to keep the state corruptibly weak rather than to overthrow it. The strategic corollary, drawn explicitly by the speakers, is that interdicting any single drug is futile against an actor that will simply substitute; the target must be the organisation's cost structure and cash flow.

Two findings from this session deserve to be carried forward. The first is the bulk-cash asymmetry, the observation that for every kilogram of drugs moving in one direction, a larger mass of currency moves back, and that this physical cash stream is comparatively under-targeted. It is a rare instance of a vulnerability that is both large and concrete, and it reinforces the report's recurring "follow the money" theme with an operational handle. The second is the repeated, candid identification of India as a precursor source alongside China. For an Indian readership this is the session's most uncomfortable and most actionable point: the synthetic revolution that makes the Mexican threat so resilient is partly supplied through the same chemical sector that Session 5 identifies as a domestic vulnerability, a direct line between a distant cartel economy and India's own regulatory choices.

**ANALYST'S NOTE · Mexico & Synthetics · Net Assessment**

Cartels behave as profit-maximising enterprises; this predicts product substitution and argues for targeting organisational cost structures and cash flow rather than individual commodities.

The bulk-cash counter-flow is a large, concrete and under-exploited vulnerability, a practical handle on the "follow the money" imperative.

India's role as a cited precursor source links its domestic regulatory posture directly to the resilience of a distant synthetic-drug economy.

**IMPLICATIONS FOR INDIA · The Precursor Connection**

The session's repeated, candid identification of India, alongside China, as a precursor source ties India's domestic regulatory choices directly to the resilience of distant synthetic-drug economies; tightening precursor control is therefore both a national-security and an international-responsibility measure.

The cartel-as-enterprise model predicts product substitution: an Indian response built around interdicting specific drugs will be outpaced, whereas one that targets cost structures, cash flow and bulk-cash movement attacks the business itself.

The bulk-cash asymmetry, more currency moving back than drugs moving forward, is a concrete, under-exploited vulnerability that Indian agencies can operationalise through cash-flow and trade-based-laundering analysis.

**SESSION 3 · KEY TAKEAWAYS**

- ▶ The United States has shifted from treating cartels as a law-enforcement problem to a whole-of-government national-security campaign, designating them as Foreign Terrorist Organisations and prioritising them above traditional state threats.
- ▶ Cartels are profit-driven multinational conglomerates, not politically motivated terrorist groups; the strategic target is the organisation/system, achieved by raising cost and chasing money.
- ▶ Bulk cash remains a vast, under-targeted vulnerability (for every kilo of drugs, ~1.5–2 kilos of currency move back), even as value-transfer via crypto and the dark web grows.
- ▶ Synthetic drugs industrialise crime and uncouple it from geography, making production highly resilient and lethal, with precursors sourced from China and, repeatedly cited, India (New Delhi).
- ▶ Cartel international expansion is transactional, not territorial; a resurgence of cocaine and in-country synthetic manufacturing are the key emerging trends.

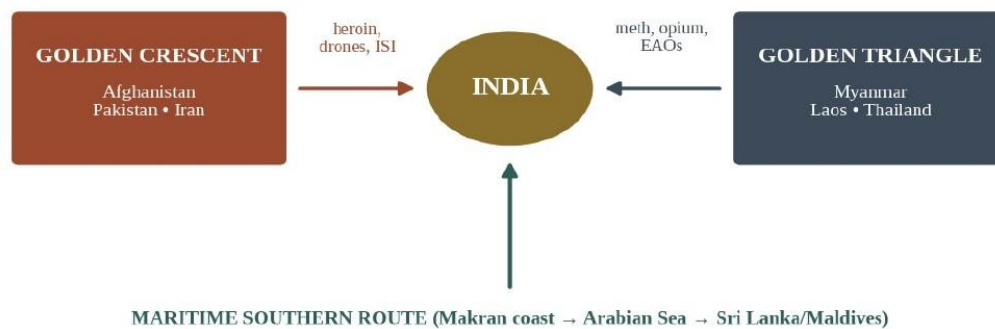
## SESSION 4

# The Golden Triangle

*Opium, synthetic drug expansion & regional security*

Opening day two, chair Dr. Harjit Sandhu noted that the Golden Triangle, historically associated with opium, has become a major hub for synthetic drugs, particularly methamphetamine, with wide implications for governance, conflict, transnational crime and regional security. He reiterated the financial logic of the trade: once profits are generated they must be moved and legitimised, through banking, physical smuggling, hawala, NGOs and charities, and above all real estate, after which drug proceeds become almost impossible to identify. “The real battlefield,” he repeated, “is within the financial systems that sustain these networks.”

## India's Dual-Front Exposure: The Only Major State Between Both Zones



**Figure 17.** India's dual-front exposure: the only major state caught between the Golden Crescent to its west and the Golden Triangle to its east, with a maritime southern route completing the encirclement.

### Lt Gen Shokin Chauhan

*Conflict Economies in Myanmar: Ethnic Armed Groups, Civil War & Narcotics*

*Former Director General, Assam Rifles*

Lt Gen Chauhan began, as he always does, with geography. India shares a 1,663-km porous border with Myanmar across four states, Arunachal Pradesh, Nagaland, Manipur and Mizoram, facing the Kachin, Sagaing, Chin and Rakhine regions. The terrain is dense jungle and difficult mountains with minimal fencing, and the ethnic continuities run deep: Nagas, Kukis, Chins and Mizos live on both sides, with Myanmar the ancestral homeland of nearly all the North-East's tribes. “The India–Myanmar border is not a hard boundary,” he said. “It is a living, breathing continuum of terrain, tribes and trade, where conflict flows more easily than control.”

### 1. Ethnic armed organisations as economic actors

Since the 2021 military coup, Chauhan argued, Myanmar has descended into fragmentation, with armed actors functioning not only as insurgents but as economic entities. The major Ethnic Armed Organisations, the Kachin Independence Army, the United Wa State Army, the Karen National Union, the Chin National Army, are best understood as economic and strategic actors controlling territory, trade and taxation, their revenue streams running through narcotics, resource extraction and informal taxation. The recent arrest of an American and several Ukrainians who had gone in to train and arm the Kachin and Wa forces, he noted, illustrated how these networks reach across borders.

### 2. The China factor and the collapse of governance

Chauhan stressed China's simultaneous engagement with both the Tatmadaw and the EAOs, supplying weapons and economic help to both sides, even as the Myanmar government itself privately identifies China as a common enemy. Precursor chemicals for the region's drugs are linked to Chinese supply chains. The civil war has fragmented the country, with the rise of People's Defence Forces and the near-total collapse of governance along India's borderlands: "There is absolutely no governance on our border with Myanmar. The border has become, over the last five years, more porous and less governed."

### 3. Strategic risk to India and the Kaladan project

The consequences for India, he argued, are direct. The Kaladan multi-modal project, intended to connect Kolkata to Mizoram via Myanmar and bypass the vulnerable Siliguri Corridor, has become strategically exposed because it passes through Chin and Rakhine conflict zones, threatened by insurgents, criminal networks and competing Chinese BRI projects. Refugee numbers in Mizoram have risen from around 15,000 to between 55,000 and 65,000, straining ethnic solidarity and resources. Chauhan's prescription was firm: India must establish genuine governance and the rule of law in its own border states; bring in technology such as the "smart fence"; engage multiple actors in Myanmar (not only the army); protect the Kaladan project with a dedicated security grid; and compete with China through speed and local integration. "Geography is destiny here," he warned. "India's North-East is not just adjacent to Myanmar's conflict, it is geographically and economically entangled with it."

*"Borders are porous. Conflict economies do not stop. They just change jurisdiction."*

— Lt Gen Shokin Chauhan

#### Dr. Rohan Gunaratna

*Organised Crime, Money Laundering & Regional Security Dynamics in the Golden Triangle*

*Professor of Security Studies, RSIS, Nanyang Technological University*

Dr. Gunaratna opened with a striking observation: the theatre in which the largest number of drones has been used is Myanmar, not the Middle East. Aerospace weapons, missiles, drones and rockets, in the hands of insurgent groups, many with linkages to threat groups in India and South-East Asia, pose a major and growing security challenge for which most militaries, including India's and China's, are poorly prepared.

### 1. The drugs-for-weapons nexus

He described a roughly US\$60 billion methamphetamine-and-precursor trade that continues largely unchecked because some state authorities are complicit. He detailed a nexus between aerospace weapons and the drug trade: U.S. authorities had investigated and trapped traders in Myanmar transporting drugs in return for firearms, above all modern surface-to-air missiles that would have been a strategic game-changer. The main actors, located in Shan State with networks into Thailand and Laos, included the Karen National Liberation Army, the Shan State Army and the United Wa State Army. This, he noted, was the context of the recent “Matthew Van Dyke” incident, in which the best drone trainers, Ukrainians, came to work with Chin State groups.

### 2. The Islamist dimension and the spillover

Gunaratna catalogued six active groups in Myanmar, focusing on the Arakan Rohingya Salvation Army (ARSA) and its predecessors, and the historic HUJI network linking Bangladesh, Pakistan, Afghanistan and Arakan. He warned that extremism grew in Bangladesh during the recent interim period, with a rise of Al-Qaeda- and ISIS-affiliated groups, and that although the Islamist threat is small within the Golden Triangle itself, its spillover and nexus effects are large, some 80–90 per cent of all attacks globally being attributed to Islamist groups.

### 3. A model for cooperation

His proposed model emphasised working together, even with uncomfortable partners. He urged India to share databases and even cooperate with Pakistan on terrorism and with China on Myanmar, since neither India nor China can contain what is happening there alone. His five elements were common databases; exchange of personnel across law enforcement, military and intelligence; joint training (which leads to joint operations); the sharing of experience, expertise and resources; and the recognition of a sixth domain of warfare, technology. Citing the history of the LTTE, whose fighters India once trained, he warned that harboured non-state actors “always come back to haunt you,” and called on the Indic Researchers Forum to keep raising specialist and public awareness of a threat that more than 80 powerful insurgent groups are now reshaping.

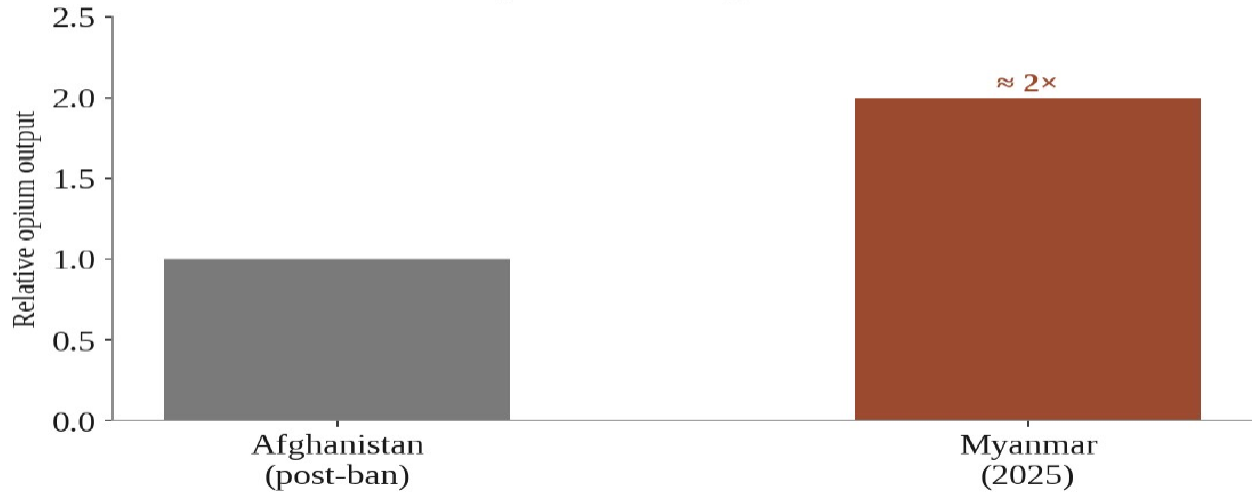
#### Rami Desai

*The Golden Triangle & India's Internal Security: Narcotics, Insurgency & the North-East*

*Anthropologist; Distinguished Fellow, India Foundation*

Speaking from extensive recent fieldwork on the border and inside Myanmar, Rami Desai delivered some of the conference’s most arresting figures. After the 2023 clampdown on Afghan poppy, the trade found a ready-made system of channels in Myanmar; cultivation “exploded” onto India’s borders, and by UNODC numbers Myanmar now produces roughly twice the poppy that Afghanistan once did. Quality has improved through drip irrigation, and methamphetamine labs are no longer small shops but sophisticated, high-capacity laboratories.

## Golden Triangle Eclipses Golden Crescent: Myanmar Opium $\approx 2\times$ Afghanistan

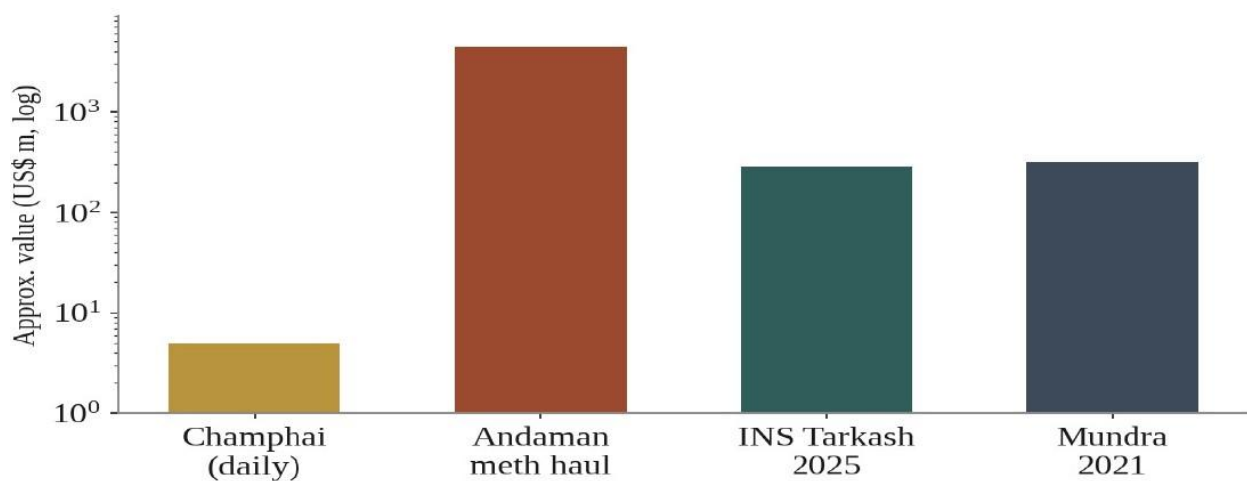


**Figure 18.** Myanmar's opium output now roughly doubles Afghanistan's former levels, as described by Rami Desai (UNODC-referenced): 2025 saw the highest Myanmar poppy cultivation in a decade, up about 17% year-on-year.

### 1. The scale of the seizures, and the unknown

Desai stressed how little is known: what is intercepted is widely held to be only about 10 per cent of what flows. She cited a haul of methamphetamine tablets worth some US\$4.5 billion caught off the Andaman & Nicobar Islands on trawlers from Myanmar, and the near-daily interceptions of hundreds of grams in Champhai (Mizoram) and Manipur. Amphetamine seizures in India, she noted, rose from 34 quintals in 2023 to around 80 quintals more recently, again, a mere fraction of the true flow.

## Selected Major Maritime & Port Seizures Cited at the Conference



**Figure 19.** Selected major maritime and port seizures cited across the conference (Desai, Menon, Asthana). The Andaman methamphetamine haul alone was valued at roughly US\$4.5 billion.

## 2. Shape-shifting drugs and a burgeoning youth market

She illustrated how quickly drugs change shape with the example of “happy water”, a colourless, odourless, tasteless new drug delivering bursts of energy and memory loss, and noted that the markings on pills are changed rapidly to maintain credibility, making them ever harder to track. With India’s growing youth population and the highest rates of HIV and intravenous drug addiction in states like Mizoram and Manipur, the danger is acute. She also flagged the active Bangladesh border, where Sheikh Hasina had once enacted the death penalty for traffickers, and the “Four Brotherhood Alliance” of Rohingya groups allegedly trained by the ISI.

## 3. The “Great Game East”

Desai’s broader warning was strategic. With ethnic armed organisations possessing no shortage of money, conducive terrain, advanced drone and even anti-drone capabilities, and no unifying political roadmap, they have no reason to scale back. India, she argued, must first become aware: there is too little scholarship, interest or discussion of these borders. She predicted that the world is about to witness a “Great Game East” rather than a “Great Game West,” in which competition over critical-mineral and rare-earth mining in Myanmar will draw China, India and other actors into head-on contest, with its own grave consequences.

### Ambassador M. Ashraf Haidari

*The Human Dimension: Drug Economies, Forced Migration & Refugee Vulnerability*

*Founder & President, Displaced International*

Ambassador Haidari turned the conference to the human dimension so often overlooked. We discuss narcotics in the language of seizures and routes, terrorism in the language of financing, and forced migration in the language of borders and displacement figures, but for millions of displaced people these are not separate issues. They converge in refugee communities where trauma goes untreated and despair is monetised. “My central argument is simple,” he said. “If we fail to address addiction and displaced populations, we are not only failing morally, we are deepening the very instability we claim to fight.”

### 1. The “double victims”

With more than 117 million people forcibly displaced worldwide, Haidari argued that displacement strips people of the protections, livelihood, legal status, community, access to care, that allow them to survive hardship with dignity. Addiction does not emerge in a vacuum; it grows where despair is abundant and narcotics are cheap, especially in the region around Afghanistan. Those who fall into dependency become “double victims”: first uprooted by war and persecution, then consumed by a second, quieter violence that damages individuals, weakens families and creates openings for exploitation by traffickers, smugglers and extremist actors. This, he stressed, is exactly where the humanitarian and security dimensions meet.

### 2. Punitive systems and the cruelty of “no sanctuary”

He illustrated the dynamic through Afghan refugees in Iran and Pakistan, where poor, undocumented and stigmatised addicts are too often treated as a criminal identity rather than a medical and psychosocial condition, facing severe punishment without due process or rehabilitation. Deportation is no solution, returning people to a country of extreme hardship and coercive, under-resourced treatment. And then, he said, there is the cruelest reality of all, the recent bombing of a rehabilitation centre housing Afghan addicts: “A place of recovery became another battlefield. For too many displaced Afghans, there is no true sanctuary, not in flight, not in exile, and not even in recovery.”

### 3. An integrated, humane framework

Haidari proposed six measures: an integrated policy framework linking counter-narcotics, refugee protection and public health; serious investment in rehabilitation, psychosocial care and trauma-informed treatment in refugee and returnee settings; livelihood and inclusion programmes that restore dignity and narrow the space in which traffickers recruit; humane responses to addicted refugees rather than indiscriminate punishment, imprisonment or execution; far closer cross-border cooperation between humanitarian agencies, public-health institutions and counter-narcotics bodies along the same corridors that carry both narcotics and irregular migration; and a defence of one principle, that a refugee battling addiction is not an enemy to be discarded. “If we save them,” he concluded, “we do more than rescue lives. We also weaken the ecosystems that feed on their despair.”

*“The drug economy does not merely move substances. It reshapes incentives, fractures families, extracts labour, and turns despair into profit, and the burden falls most heavily on those already displaced and politically voiceless.”*

— Ambassador M. Ashraf Haidari

#### Analytic Commentary

The Golden Triangle session is, in effect, the eastern mirror of Session 1, and its central analytic point is that the centre of gravity of opium production has shifted east while the world’s attention remained fixed on Afghanistan. Myanmar’s post-coup fragmentation has produced something more dangerous than a production surge: a patchwork of armed organisations that are at once insurgents, governments and businesses, financing themselves through narcotics, resource extraction and taxation in territory the central state no longer controls. The recurring detail that Myanmar is now the world’s most active theatre for drone warfare should be read as a leading indicator: the same low-cost aerial technology saturating that conflict is already appearing on India’s western border, and the borderlands in question are contiguous with India’s North-East.

For India the implication is that the eastern threat is qualitatively different from the western one. Where the Golden Crescent presents a state-facilitated network amenable, in principle, to financial and diplomatic pressure, the Golden Triangle presents a governance vacuum in which there is often no counterpart with whom to share intelligence or coordinate enforcement. The strategic prescription that emerged, establishing genuine governance in India’s own border states, hardening the Kaladan corridor, and engaging a plurality of Myanmar actors rather than the army alone, reflects this difference: against a vacuum, the first task is to build presence, not merely to interdict. The human-security testimony is not a humanitarian aside; it supplies the connective logic: displaced and addicted populations are at once the trade’s victims and its recruitment pool, which is why public health and counter-narcotics cannot be separated in this theatre.

#### ANALYST’S NOTE · Golden Triangle, Net Assessment

The eastern theatre has overtaken the western in opium output and presents a governance vacuum rather than a state-facilitated network, a structurally different and, in some respects, harder problem.

Myanmar’s drone-saturated conflict is a leading indicator of the technology now reaching India’s borders; the North-East is directly contiguous with the ungoverned space.

Against a vacuum the priority is presence, governance, the Kaladan corridor and plural engagement, with public health integrated as a counter-recruitment measure, not a humanitarian afterthought.

## Implications for India: The Eastern Front

- The eastern theatre presents a governance vacuum rather than a state-facilitated network, so India often has no counterpart with whom to share intelligence; the first task is to build presence, governance, the rule of law and the hardened Kaladan corridor, not merely to interdict.
- Myanmar's drone-saturated conflict is a leading indicator of the technology already reaching India's western border; counter-UAS capability for the North-East should be treated as urgent, not anticipatory.
- Displaced and addicted border populations are simultaneously victims and a recruitment pool; integrating public health and de-addiction with security in the North-East is a counter-recruitment measure, not a humanitarian afterthought.

### SESSION 4 · KEY TAKEAWAYS

- ▶ Myanmar's post-coup conflict economy has driven opium output to roughly twice Afghanistan's former levels and turned its India-facing borderlands into ungoverned zones of competing armed actors.
- ▶ Ethnic Armed Organisations function as economic and strategic actors funded by narcotics, resource extraction and taxation, armed and enabled in part through Chinese supply chains and a drugs-for-weapons trade.
- ▶ Myanmar is now the world's leading theatre for drone warfare; the India–Myanmar border is a porous “continuum” where the Kaladan project and the North-East are strategically exposed.
- ▶ New synthetic drugs (e.g. “happy water”) and rapidly changing pill markings make the threat ever harder to track; what is seized is roughly 10% of what flows.
- ▶ The human dimension, displaced, addicted “double victims”, is central to security rather than peripheral; counter-narcotics, refugee protection and public health must be integrated.

## SESSION 5

# Emerging Narcotics Challenges in India

*Safeguarding national security*

Chairing the India session, Cmde SL Deshmukh observed that as the Afghan routes have been cracked down, the routes have shifted to Myanmar, across India's eastern borders, while the African region is increasingly joining in. The traffickers' turn to the dark web and other channels that are not easily identifiable, he noted, compounds a problem rooted in a mafia-political nexus that must be addressed if India is to understand the threat's impact on national security.

## Rakesh Asthana

*Illicit Drugs, Borders & Insurgency: Securing the Borders*

*Former Director General, NCB; Former Commissioner of Police, Delhi*

Rakesh Asthana began with the geographical fact that India is sandwiched between the Golden Crescent and the Golden Triangle, which together produce some 98 per cent of the world's heroin and methamphetamine. India thus suffers both as a destination and as a conduit, served by a very powerful trafficking mafia. With the Taliban's ban reducing Afghan opium by some 95 per cent, drug lords have shifted to synthetic drugs, especially methamphetamine produced with chemicals smuggled out of India and from China and pushed in through the eastern border via Myanmar and Bangladesh into Mizoram and beyond.

### 1. The ISI, the maritime route and the gangster network

On the western front, Asthana stressed Pakistan's active role in pushing drugs through Kashmir and Punjab, with the bulk of the Afghanistan-Pakistan-Iran flow now coming through the maritime route as far as Sri Lanka and Africa. Recalling a Pakistani prime minister's admission decades ago that drug money funds ISI-directed terrorism, he warned that the ISI now engages organised gangs, many of whose leaders sit in Canada, Germany and the UK, to carry out their dictates in India in concert with Pakistani intelligence. He also flagged the eastern front: ISI and Pakistani army inroads into Bangladesh's fundamentalist networks raise the possibility of the ISI using the eastern border and drug money to create problems for India. The Manipur crisis, he noted, is itself attributed in part to the drug trade and the mafia's involvement.

### 2. A borderless crime that corrodes from within

Drug crime, Asthana concluded, is borderless, and the huge sums it generates attract unemployed youth, gangsters and anti-national elements alike, corroding national security from within. He identified the vast maritime boundary and the difficulty of locating small dhows and boats as a genuine and pressing requirement for new capability.

## Dr. Rajender Pal Singh

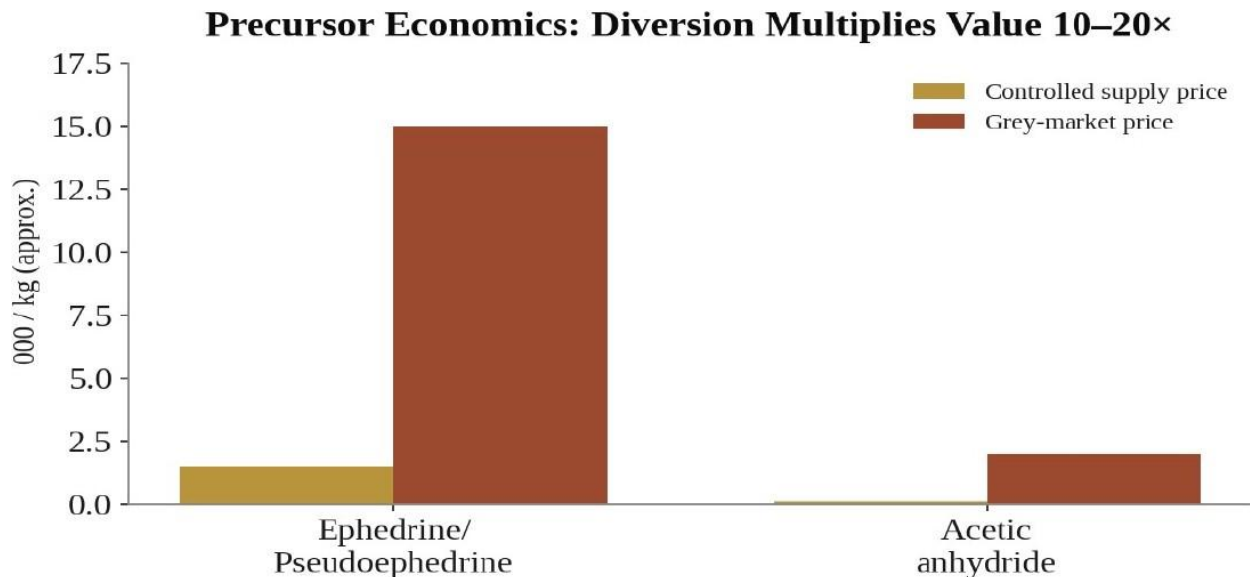
*Pharma, Precursor Chemicals & Synthetic Drugs in India*

*Former DGP, Uttar Pradesh; Former Deputy Director General, NCB*

Dr. Rajender Pal Singh opened with a “harsh truth”: precursor chemicals and synthetic drugs are not an emerging challenge but an already well-established, embedded reality. The turn of the century saw a shift from plant-based to synthetic drugs, MDMA, methamphetamine, tramadol, fentanyl, produced in small labs in urban, semi-urban and rural areas rather than in fields. An internet search, he noted, returns dozens of ways to make methamphetamine, and AI multiplies them.

### 1. The precursor economy

At the heart of the problem, he argued, are precursors: of the roughly 31 internationally controlled, three matter most: ephedrine, pseudoephedrine and acetic anhydride. India’s strong pharmaceutical industry, among the world’s largest, simultaneously creates a large availability of chemicals which, combined with gaps in monitoring, allows misuse and diversion from legal supply chains, industries, distributors and pharmacies. He laid out the economics: ephedrine and pseudoephedrine supplied to industry at ₹1,100–1,800 per kg sell in the grey market for ten to twenty times more; 1 kg of ephedrine yields 7 kg of methamphetamine with a street value of about ₹1 crore. Acetic anhydride, supplied at around ₹125 per kg, fetches ₹1,000–3,000 illicitly, far more if diverted abroad.



**Figure 20.** Precursor economics (Dr. R. P. Singh): controlled chemicals diverted from legitimate supply chains gain ten- to twenty-fold in value, and 1 kg of ephedrine yields roughly 7 kg of methamphetamine.

### 2. The scale of transnational crime

Citing a 2010 UNODC study on transnational organised crime, he noted that the total illicit economy was assessed at about US\$870 billion, roughly 1.5 per cent of world GDP, of which narcotics alone accounted for some US\$320 billion (others put it nearer US\$500 billion at street value), more than a third of the total. It is this scale of money, he argued, that makes terrorist groups dependent on the narco trade, the very root of the word “narco-terrorism.”

### 3. A second meaning of narco-terrorism: consumption by terrorists

Singh drew attention to a dimension he felt had been under-discussed: the consumption of narcotics by terrorists themselves. Modern terrorists are not trained like conventional armies; after brief indoctrination, the “highs” of synthetic drugs, above all methamphetamine, help drive them to carry out firing, assassinations, bombings and suicide missions. Tramadol is used to dull pain and relax muscles; captagon (a methamphetamine tablet) was notoriously prevalent in ISIS areas and remains so in Syria. He cited the rare live capture of a terrorist in J&K who was found to be under the influence of drugs, a second meaning of narco-terrorism that, he argued, must be taken into account, alongside Indian case studies from Goa nightclubs to the Gujarat “pharma factory” tramadol busts.

#### Dr. Shreekumar Menon

*Ports, Shipping & Illicit Trade: Drug Trafficking Through India's Maritime Gateways*

*Former DG, National Academy of Customs, Indirect Taxes & Narcotics*

Dr. Menon delivered the conference's most detailed treatment of the maritime dimension. Air and land trafficking, he noted, involve small quantities, a kilo or two at a time, but the maritime dimension operates in thousands of kilograms; there is no comparison. With a coastline of over 7,500 km across the Arabian Sea, the Indian Ocean and the Bay of Bengal, India faces a scale of maritime trafficking to which only a few countries are exposed, guarded by a Coast Guard, Customs, coastal police, CISF and BSF that, with the exception of the Navy, all face constraints of trained manpower, budget, seaworthy craft and state-of-the-art equipment.

#### 1. The southern route and the “war” framing

Menon described the southern route, a “maritime conveyor belt” from the Makran coast of Pakistan and Iran, using small fishing dhows from Jiwani, Gwadar, Pasni and Ormara to transfer cargo (“night cargo”) to larger ships in the Gulf of Oman and onward past Sri Lanka and the Maldives to markets including Australia. He recited major seizures, INS Tarkash's April 2025 interception of some 2,500 kg; a 2023 haul of 2,500 kg of methamphetamine; the 2021 Mundra case, and emphasised that the anti-narcotics drive is deliberately labelled a “war” because narcotics finance terrorism: a war against drugs is a war against terrorism, which is why the armed forces of many nations, uniquely, are used to protect maritime boundaries from this trade.

#### 2. The SEZ jurisdiction gap

His sharpest warning concerned governance. India's massive privatisation of ports and airports and its proliferating Special Economic Zones and container freight stations, operated by private parties, present ideal openings for traffickers because government oversight is minimal. He cited a case in Kochi where a lorry carrying contraband entered an SEZ and the SEZ officers blocked Customs from entering on the grounds that it was “a different country”, a position upheld by the court. Such jurisdictional gaps, he argued, are high legal complications that impede every enforcement agency. He also noted India's extensive international cooperation, UNCLOS, the Djibouti Code of Conduct (which India has joined as an observer), and 26 bilateral pacts, while cautioning that politicisation of major seizures by leaders across the divide creates insurmountable legal and political problems.

#### Rohas Nagpal

*Dark Web, Crypto & the Challenge of Online Drug Trafficking*

*Co-Founder, C4 Academy; Chief AI Architect, Sara AI*

Rohas Nagpal gave the conference a technical tour of how the trade has migrated online. He explained the difference between digital money (moving between bank databases) and cryptocurrency (held on blockchains run by anonymous networks), demonstrating live how a criminal can generate a new wallet address and private key at the click of a button, print it on paper, and recover the funds from any computer in the world, with no app, no KYC and no trace.

### 1. Seed phrases, privacy coins and stablecoins

From a single 12-word “seed phrase”, in one real case, tattooed on a kingpin’s body, an entire global financial network of unlimited wallets across unlimited blockchains can be generated, with operatives in different countries each given a wallet and cashing out at exchanges, especially in jurisdictions like Dubai where the line between black and white money is blurred. Money launderers favour USDT (Tether) on the Tron blockchain, while drug cartels increasingly move to privacy coins like Monero, whose addresses, even if seized, are of no use to investigators. Legitimate exchanges in India must register with the FIU, he noted, but illegitimate offshore exchanges in tax havens never will.

### 2. Multiple internets and the encryption frontier

Beyond cryptocurrency, Nagpal described the layered internet, the surface web, the Tor-based dark web of “onion” sites where the original Silk Road sold everything from drugs to weapons, and, increasingly, the cartels’ own private, parallel internets with their own domain systems that investigators cannot even access without an invitation. Criminals further use encrypted, portable operating systems run from pen-drives (e.g. Tails), encrypted drives with plausible-deniability dual passwords, and encrypted messengers like Signal. The result, he warned, is a world in which conventional digital forensics is often useless.

### 3. CBDC: a double-edged future

Nagpal closed on Central Bank Digital Currency, on which he had prepared a white paper for the RBI. Because a CBDC such as the e-rupee carries KYC and is monitored in real time by the central bank, it makes hiding criminal money very difficult, a strong advantage, and is likely to push criminals further toward cryptocurrencies and stablecoins. But he cautioned that programmable CBDCs, as tested in some countries, could also allow governments to control how, how much and where citizens spend, a flip side that democracies must approach with care.

## Vicky Nanjappa

*Organised Crime, Terror Groups & Narco-Terror in Kerala & Tamil Nadu*

*Internal Security Specialist & Journalist*

Vicky Nanjappa examined two issues that, in South India, operate largely in parallel rather than in tandem: narcotics smuggling and radicalisation-driven terrorism. The southern smuggling story began decades ago with the Kodikkarai fishing port in Tamil Nadu as a transit point for the Sri Lanka trade; today, with Kerala joining the bandwagon, the scale has risen sharply, exemplified by the Andaman seizure valued at some ₹6,000 crore and linked to a Mexican cartel once run by the recently killed “El Mencho.” Meth arrives in Tamil Nadu and Kerala and is transported by road to the North-East, or lands in the Andamans for onward distribution to South Asia and Thailand.

## 1. A silent radicalisation

On terror, Nanjappa described a very different, radicalisation-driven phenomenon in the south, marked by recruitment into the Islamic State and outfits like Al-Hind, the Coimbatore blast, and the case of 21 people who left to join ISKP in Afghanistan. With the ban on the PFI, he warned, the vacated space is now contested by groups such as the Base Movement, Al-Qaeda and the Islamic State, while self-radicalisation requires little organised effort. He stressed the importance of close coordination with Sri Lanka, the primary route, and recalled how the Easter-bombing mastermind Zahran Hashim moved freely in Tamil Nadu, radicalising lone-actor terrorists.

## 2. Two problems, both urgent

Surprisingly, Nanjappa found no direct evidence that the terror groups and the narco cartels work in tandem in the south, outfits like the PFI raised funds through donations rather than drug money, though some mutual cover may be provided. His conclusion was that both are serious, distinct problems requiring strong action: while the sea and road routes are increasingly known to agencies, the “internal rot” of scores of operatives must be controlled, and radicalisation, “such a silent danger”, deserves far more attention than it receives. He warned against South India becoming one of the world’s biggest transit points for onward supply to South-East Asia.

### Analytic Commentary

The India session draws the preceding theatres inward and exposes a paradox at the heart of the national threat picture: several of India’s greatest strengths are at once its principal vulnerabilities. Its world-class pharmaceutical and chemical industry is a precursor-diversion risk; its long, commercially important coastline is a maritime-trafficking superhighway; its rapid digital adoption is the substrate for dark-web and crypto-enabled distribution; and its proliferating special economic zones, designed to accelerate trade, create jurisdictional seams that enforcement cannot easily cross. None of these strengths can or should be surrendered, which means the response must be regulatory and architectural, closing seams and building oversight, rather than restrictive.

The session also sharpened a conceptual point latent throughout the conference: the “second meaning” of narco-terrorism, in which narcotics are both the financier of terror and its chemical fuel, consumed by operatives to enable violence. This reframes drugs as at once a strategic revenue stream and a tactical enabler, and it widens the rationale for demand-side and public-health intervention into the counter-terrorism domain proper. Taken with the maritime and digital findings, the session’s cumulative message is that India’s threat has become fully internalised: it is no longer adequately described as a border problem, and the institutional response, NIA–NCB fusion, FIU empowerment, port and SEZ reform, counter-drone capability, must match that internalisation.

#### ANALYST’S NOTE · India Internal, Net Assessment

India’s pharmaceutical capacity, maritime reach, digital adoption and SEZ regime are strengths that double as vulnerabilities; the remedy is regulatory and architectural, not restrictive.

The “second meaning” of narco-terrorism, drugs as the chemical fuel of attacks, brings demand reduction squarely inside the counter-terrorism mandate.

The threat is now internalised across chemistry, sea, and cyberspace; the response must shift decisively from border interdiction to domestic integration and oversight.

**SESSION 5 · KEY TAKEAWAYS**

- ▶ India, sandwiched between the two great production zones, is both a destination and a conduit; with Afghan supply down, methamphetamine via Myanmar/Bangladesh and the maritime route via Pakistan–Iran dominate.
- ▶ India’s vast pharmaceutical sector is a strength that also creates precursor-diversion vulnerability (ephedrine, pseudoephedrine, acetic anhydride), with enormous grey-market markups funding terror.
- ▶ Narco-terrorism has a second meaning: terrorists consume synthetic drugs (meth, captagon, tramadol) to fuel attacks, a dimension demanding attention.
- ▶ The maritime southern route moves drugs in tonnes; under-resourced agencies and SEZ jurisdiction gaps are critical weaknesses requiring legal reform.
- ▶ The trade has migrated to the dark web, privacy coins and parallel internets, often defeating conventional forensics; CBDCs offer a partial counter but raise their own concerns.
- ▶ In South India, narcotics smuggling and radicalisation are both acute but largely operate separately; coordination with Sri Lanka and attention to “silent” radicalisation are essential.

## SESSION 6

# Combating Narcotics Terror

*Global strategies for cooperation*

Chairing the closing session, BVS Saikrishna stressed the conference's central thread: narcotics and terrorism are usually treated as two separate social diseases, but they are far more closely related than they appear, and the connection between them is always the money. The session brought together American, European and Indian practitioners to turn the previous days' diagnosis into strategies for intelligence fusion, financial disruption and international cooperation.

## Carlos Olivo

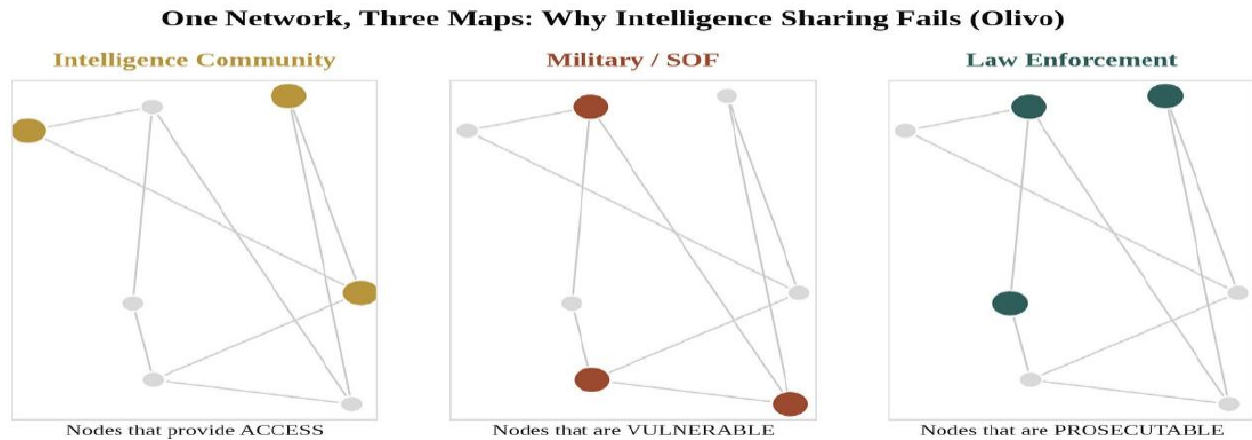
*Intelligence Sharing Across Agencies & Borders*

*Former DEA Assistant Special Agent in Charge; Founder, Obsidian Group Analytics*

Carlos Olivo, whose last DEA role was to build precisely such a unit fusing military intelligence, the intelligence community and law enforcement, offered the conference's most rigorous treatment of why intelligence sharing so often fails. The same narco-terror network, he argued, looks different depending on who is looking at it: an intelligence professional, a military planner and a prosecutor may work from identical information yet prioritise different nodes, timelines and outcomes.

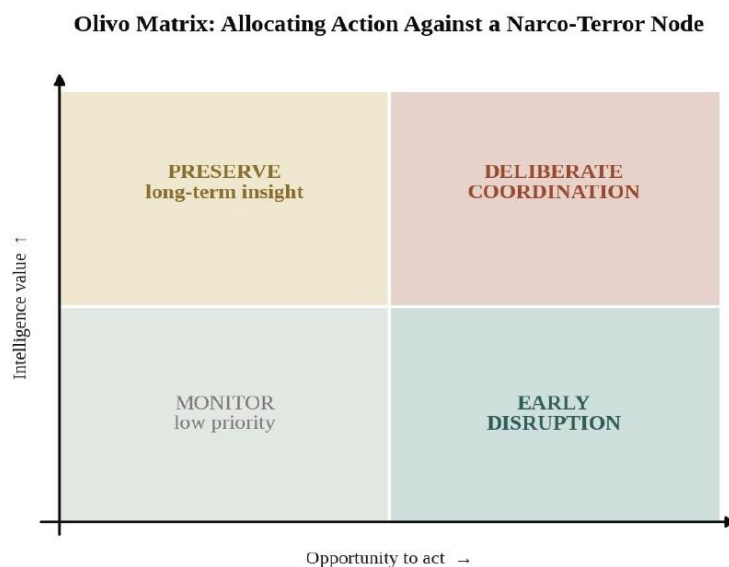
### 1. Three communities, three maps

Olivo distinguished three communities. The intelligence community seeks to map strategic networks and preserve access; it may tolerate ongoing activity to reveal a larger architecture, and protects sources and methods above all. The military and special-operations community prioritises speed, targetability and operational impact; for it, intelligence is perishable. Law enforcement builds cases for court, where evidence, chain of custody and witness security are non-negotiable, and a kinetic action that eliminates a source may look like success in one system while destroying the case in another. Take the same map, he said, and the intelligence community marks the nodes that provide access, the military those that are vulnerable, and law enforcement those that are prosecutable: three different maps of one network.



**Figure 21.** *One network, three maps (Olivo): the same narco-terror network seen by the intelligence community (access), the military (vulnerability) and law enforcement (prosecutability), the root of why sharing fails.*

The deeper obstacle, Olivo argued, lies less in technical or legal hurdles than in incentives. Agencies are built and rewarded to collect, not to share, because in the bureaucratic economy of government "credit means budget": the organisation that can claim a visible win in this cycle is the one that is funded in the next. A culture optimised for individual wins will therefore hoard intelligence and race to act, even when a brief, deliberate delay would have served a partner's longer-term objective and produced a larger strategic effect. This, he said, is why exhortations to "share more" so reliably fail: they ask people to behave against the grain of the incentives under which they are evaluated and promoted. The remedy is to redesign those incentives, to reward shared outcomes and strategic effects rather than the agency that happens to make the seizure, which makes integration a problem of deliberate institutional design rather than an immovable feature of human nature.



**Figure 22.** *The prioritisation matrix described by Carlos Olivo: a node's intelligence value against the opportunity to act. The hardest cases, high on both axes, demand deliberate, pre-agreed coordination rather than retroactive damage control.*

## 2. Real collaboration: a shared baseline with distinct roles

Genuine intelligence sharing, Olivo argued, means the deliberate management of difference: a shared baseline with distinct roles, in which each node is understood in context (collection, prosecution or kinetic option) and those designations do not change casually. It requires real de-confliction and time-phasing across the phases of an operation, and a legal-and-policy bridge that treats these hybrid threats as neither purely crime nor purely war. "If your system has no mechanism to resolve these trade-offs in advance," he warned, "you do not have intelligence sharing. You have ad hoc de-confliction and retroactive damage control."

## 3. Confronting uncomfortable truths at home

Rather than a checklist, Olivo offered a mindset: be willing to confront uncomfortable intelligence about one's own system; build mechanisms to act on partner-provided intelligence through one's own legal frameworks; and measure success not only by what happens across borders but by what one is willing to address at home. The cartels, he stressed, have grown beyond trafficking groups into adaptive systems, in some Mexican regions resembling parallel authority structures with effective sovereignty. "The mistake is to think we are targeting organisations. In reality we are confronting adaptive systems," which is why intelligence, military and law-enforcement approaches must be aligned, not sequential.

*"When was the last time you deliberately delayed a successful operation because another agency's longer-term objective mattered more? If the answer is rarely or never, the system is still rewarding short-term wins, not strategic effects."*

— Carlos Olivo

### Vipul V Tamhane

*Strengthening Global AML/CFT Mechanisms to Counter Narco-Terrorism*

*Founder & Director, Exestat; AML/CFT Specialist*

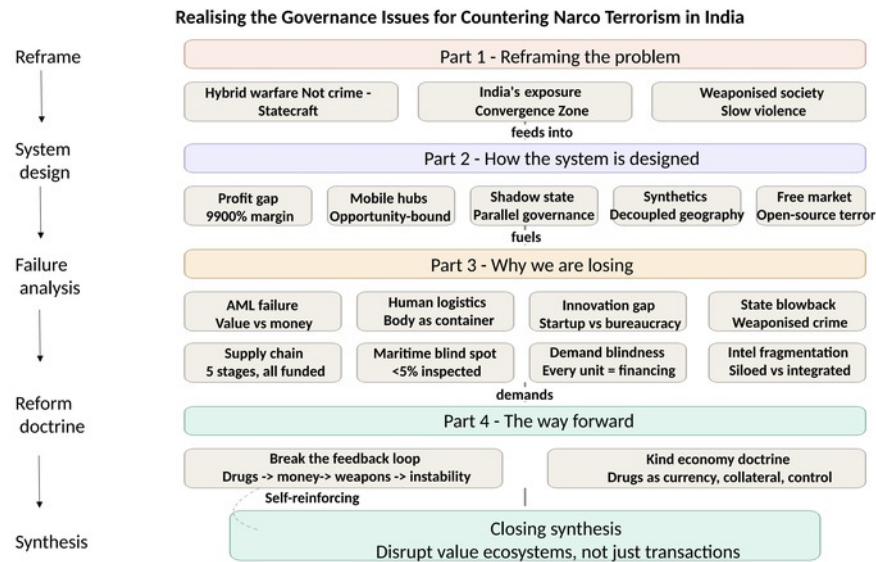
Vipul Tamhane began with a provocation: we treat money laundering and terror financing as a procedural problem, track the transaction, seize the asset, plug the gap, and this framing is why we are losing. What we face, he argued, is a civilisational challenge rather than a financing one, and every instrument will remain a generation behind the threat until we see it as such. Narco-terrorism, in his model of reasoning, anticipation and implementation, amounts to statecraft by covert means, combining economic warfare through illicit profit, social warfare through addiction, and security warfare through terror financing, all without a declaration of war.

## 1. India's convergence zone and "slow violence"

No nation, Tamhane argued, faces this with greater exposure than India, geographically sandwiched between the Golden Crescent and the Golden Triangle, with a porous 1,643-km Myanmar boundary and a visa-free movement regime that creates a structural enforcement gap. Narco flows into India, he stressed, are directed rather than passive: the Punjab experience, where youth addiction becomes a pipeline into insurgent recruitment, is the plainest illustration of "slow violence", a slow indoctrination that destroys a nation from within before a single bullet is fired.

## 2. The profit gap, mobile capital and parallel governance

He returned to the arithmetic: a kilogram of heroin bought in South Asia for roughly ₹1 lakh sells in Western markets for close to ₹1 crore, a profit margin of the order of 9,900 per cent that no rural-livelihood scheme can match. Where states offer subsistence, narco-economics offer employment and a kind of welfare, becoming the dominant economic institution wherever governance is absent. This capital is mobile, production migrates to governance vacuums, not borders, and ultimately buys parallel governance, replicating state functions through taxation by extortion, welfare to fighters and enforcement by violence.



**Figure 23.** The profit engine described by Vipul Tamhane: the roughly hundred-fold markup on a kilogram of heroin from South Asian source to Western street, a margin against which, he argued, no state welfare scheme can compete.

## 3. From a finance-centric to a value-ecosystem model

Tamhane's central argument was that the AML/CFT architecture is failing because it is designed to track money while narco-terrorism increasingly operates through "value-in-kind", drugs, gold, commodities, animal hide, human-trafficking labour, that stores and transfers value invisibly to financial surveillance. "We are tracking money while they are trading value," he said, and that gap cannot be closed with more rigorous bank reporting. The synthetic revolution further domesticates the threat, and a "free market of terrorism" now lets cartels, freelancers and non-state actors plug, play and exit. The required shift, he concluded, is from a finance-centric model to a value-ecosystem-disruption model, targeting precursor chemicals and synthetic production, matching the traffickers' ingenuity, and recognising India's recent counter-terror doctrine and political will as the basis for closing the gap before the next attack rather than after it.

### Steven Filson

*Narcotics, Civil Society & Human Security: A Father's Perspective*

*Co-Founder, Victims of Illicit Drugs (VOID)*

Steven Filson spoke not only as a 31-year law-enforcement professional but as a father. In January 2022 his wife found their 29-year-old daughter Jessica and her boyfriend Nicholas dead at their California home; toxicology found they had died of fentanyl poisoning after a single decision to use cocaine. "Cocaine didn't kill

them," he said. "But for fentanyl, they'd still be with us." In his years as a narcotics investigator and team supervisor, he had never even heard of fentanyl. Most victims, he stressed, ingest a substance they believe is one thing, unaware a fatal ingredient has been added: "they are not overdosing; they are being deceived, and by being deceived, they are being poisoned."

### 1. A weaponized substance and an expanded human security

The picture has changed, Filson argued: from plant-based drugs of variable potency to synthetic substances engineered, scalable and lethal in microgram quantities. A single counterfeit pill can contain a fatal dose, around 2 milligrams, leaving no margin for error and no second chance. He urged an expanded definition of human security covering the safety of individuals, the stability of families, the resilience of communities and the trust between citizens and institutions, all of which illicit narcotics undermine simultaneously, with civil society at the centre of the equation.

### 2. Three pillars, and following the money

VOID's model rests on three interconnected pillars: truth-based education and awareness ("one pill or one line can kill," delivered early and consistently with real victim narratives); strategic, intelligence-driven law-enforcement integration targeting distribution networks rather than end-users; and civil-society mobilisation, the most important and most under-utilised component. He insisted that fentanyl is a public-health crisis and also a business: every counterfeit pill is a financial transaction, and the same urgency brought to saving lives must be applied to following the money, disrupting laundering networks and holding financial facilitators accountable. "If we fail to cut off the monetary head of the snake," he warned, "we are not confronting the crisis. We are only reacting to its consequences."

He offered a note of qualified hope: U.S. overdose deaths, having peaked above 110,000 in 2023, fell roughly 27 per cent in 2024 to about 83,000 and continued downward into 2025, a decline he attributed to a convergence of education, naloxone saturation and supply disruption, while cautioning that progress remains fragile and dependent on sustained, multi-layered strategies.

*"Behind every statistic is a name. Behind every poisoning is a story. And behind every story is a network of human relationships permanently altered."*

— Steven Filson

## Dr. Sidharth Shukla

*Data Integration, Intelligence Platforms & Counter-Narcotics Operations*

*Defence Communications Consultant; Army Veteran*

Dr. Shukla approached the problem as a technologist and soldier. Intelligence acted upon too late, he argued, is "dumb intelligence": it must be collated, analysed and acted on before an event occurs. Yet India lacks unified databases: there is no common database even within the tri-services except for specific joint operations, and the BSF, CRPF and Coast Guard each maintain separate systems, with no standing integration with the police agencies who must ultimately act once a consignment crosses inside.

## 1. An event-based posture against a continuous threat

Drawing on his service in Kashmir, Shukla noted that India creates joint command centres for specific events, elections, particular operations, but the narcotics menace is continuous, not event-based, and the absence of a permanent, integrated structure is a critical weakness. He pressed the need to detect patterns across structured and unstructured data, a surge of small boats at a port, a sudden glut of drugs in a market, by connecting the dots between agencies such as R&AW abroad and the police at home.

## 2. Technology as a bridge

Shukla argued for full integration of digital and decision-intelligence platforms: AI-driven predictive policing and pattern analysis, geospatial and satellite imagery, drone surveillance, and the signals-, open-source- and human-intelligence disciplines applied specifically to narcotic cartels as they are to terrorists. If India builds a strong network and a visible deterrent, he argued, traffickers will avoid it as a country, disrupting the supply chain through these combined effects. But, he cautioned, technology can only bridge the gap if the coordination and synergy between institutions exist, and if society itself reduces consumption through awareness of the drugs' effects.

### Stefano Ritondale

*Open-Source Intelligence & Data Platforms in the Counter-Cartel Fight*

*Co-Founder & Chief Intelligence Officer, Artorias*

Returning to the U.S. operational picture, Stefano Ritondale described how the second Trump administration's re-prioritisation of the Western Hemisphere has poured resources into tracking and dismantling drug-trafficking organisations, the largest 2025 increase in FTO designations being criminal, profit-motivated groups in the hemisphere, from the six Mexican cartels to Haitian and Ecuadorian gangs. The NSA now prioritises Mexican cartels for signals collection, the CIA is building vetted networks inside Mexico, and U.S. intelligence platforms increasingly operate over Mexico and the maritime routes in coordination with host governments.

## 1. Vetted units and partner operations

Kinetic strikes, Ritondale argued, are largely symbolic messaging; the main effort is coordination with allies and partners. In Ecuador, a key conduit for 70–80 per cent of drugs entering the U.S. via the Pacific, U.S. special forces conduct joint operations with the Ecuadorian military against gangs such as Los Lobos. In Mexico, the model is "vetted units": each U.S. agency trains, equips and vets a Mexican counterpart unit to ensure intelligence and funding do not flow back to the cartels, a win-win that lets Mexico preserve sovereignty while the U.S. avoids putting boots on the ground.

## 2. Open-source intelligence as the next frontier

Ritondale's distinctive argument was that open-source intelligence is the next frontier of the counter-cartel fight, just as it was in the campaign against ISIS. Cartels are often assumed to be wholly secretive, yet their members, manufacturers, gunmen, support networks, are highly active on social media, and local Facebook and WhatsApp groups offer a detailed picture of conditions on the ground. The analytical key, he stressed, is the aggregate and the trend, not any single report. He illustrated this with the Sinaloa civil war: when the Chapitos' once-active channels went quiet and their rivals surged, then suddenly began mirroring CJNG propaganda, open-source analysis confirmed both their near-defeat and their subsequent alliance with CJNG, intelli-

gence that, being unclassified, enables far deeper cooperation with foreign partners than classified sources ever could.

## Dr. Hans-Jakob Schindler

*The Globalisation of the Narco-Terror Economy: A Case Analysis of Hezbollah*

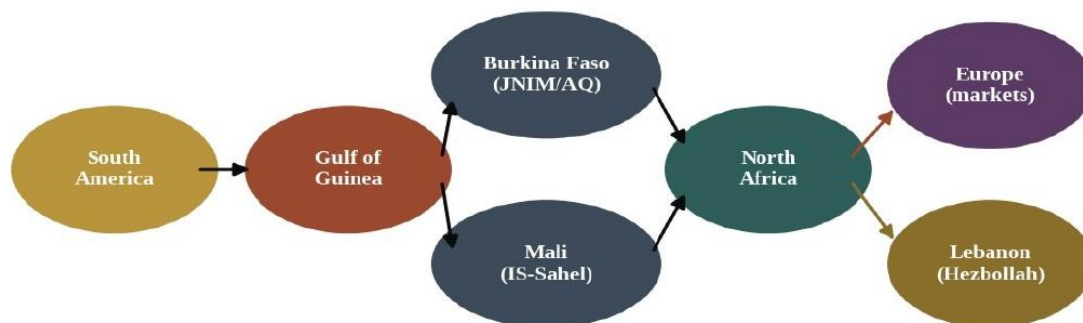
*Director, Counter Extremism Project; Former Coordinator, UNSC Sanctions Monitoring Team*

Closing the conference, Dr. Schindler offered Europe's experience with Hezbollah and the drug trade as an indicative warning of the disruptions India may yet avoid. Quasi-state organisations like Hezbollah, he explained, must generate hundreds of millions of dollars annually, for weapons and violence but also to run spaces, build roads and pay employees, and therefore need multiple overlapping, adaptable income streams. Since Hezbollah's attack on Israel in October 2023, its income from the Lebanese economy and from Iran has dropped sharply, and the one stream it can scale easily and elegantly is its involvement in the international drug trade, built up substantially since 2011 into a global transport, distribution and money-laundering network, even offering "money-laundering as a service."

### 1. The West Africa pipeline and the terror–crime fusion

The most significant pipeline, Schindler argued, runs from South America through West Africa to North Africa and into Europe, with proceeds laundered back to Lebanon, and West Africa is simultaneously the area of the largest terrorist expansion on earth, with the Al-Qaeda affiliate JNIM controlling much of Burkina Faso and the ISIS affiliate large parts of Mali. Cocaine landing on the Gulf of Guinea is transported north and handed over to Al-Qaeda in Burkina Faso or ISIS in Mali, who move it through their territories for their Shia counterparts in Hezbollah. In four years, he noted, not one cocaine transport has been interdicted by these groups, because the cooperation, between transnational organised crime, a Shia terror group, and Al-Qaeda and ISIS, serves too much mutual interest and money. "Defining terrorism and organised crime as two separate challenges," he said, "is completely meaningless in West Africa."

#### The Hezbollah Cocaine Pipeline & Terror-Crime Fusion (Schindler)

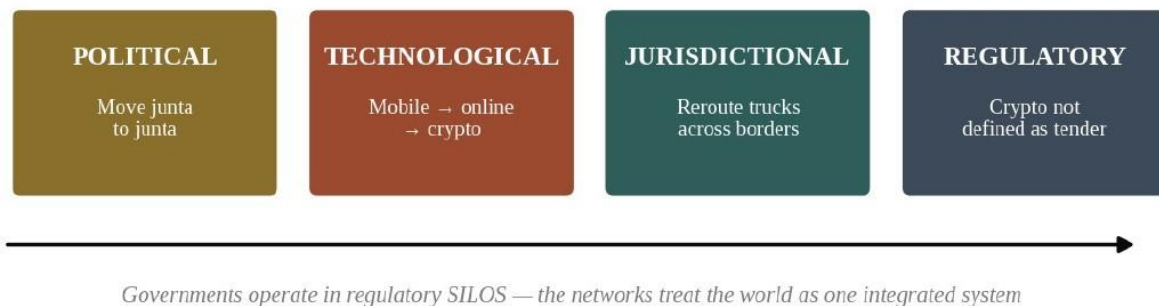


**Figure 24.** *The Hezbollah cocaine pipeline and terror–crime fusion described by Dr. Schindler: cocaine moves north through Al-Qaeda and ISIS territory to Hezbollah's European networks, with proceeds laundered back to Lebanon.*

## 2. The arbitrage problem

Schindler's central analytical contribution was the concept of arbitrage. While governments approach the problem through regulatory silos, is this a military, counter-terrorism, policing or banking problem?, the networks treat the world as an integrated system and exploit the gaps. They use political arbitrage (moving from junta to junta), technological arbitrage (shifting from mobile banking to online tools to crypto as each is regulated), jurisdictional arbitrage (rerouting trucks from Burkina Faso through Mali when roads are disrupted), and regulatory arbitrage (exploiting gaps where, for instance, cryptocurrencies are not even defined as tender and therefore cannot be frozen or treated as money laundering). The answer, he concluded, is a whole-of-government and whole-of-international-community approach: task forces able to bridge regulatory gaps both within governments and across them, in genuine cooperation even with unfriendly regimes.

### The Arbitrage Problem (Schindler): Networks Exploit the Seams



**Figure 25.** The four forms of arbitrage identified by Dr. Schindler (political, technological, jurisdictional and regulatory) through which integrated networks exploit the seams between siloed national authorities.

## 3. A matter of political priority

In the closing discussion, Schindler and Olivo converged on a final, sobering point that echoed every session: agencies are built to collect information, not to share it, and so intelligence sharing ultimately hinges on a political decision that this is a priority, because, as both noted, credit means budget in the next cycle. Schindler argued that disrupting Hezbollah, Al-Qaeda and ISIS at the same time as the cocaine flow offers more "bang for the buck" than action in almost any other region on earth, yet it is not currently a political priority in Europe, even as the negative effects, including rising migration from West Africa, already reach the continent. The lesson for India, delivered as the conference's final word, was to make the integrated narco-terror threat a deliberate, top-level political priority before, not after, it matures.

*"Neither Hezbollah, nor Al-Qaeda, nor transnational organised crime treats these as separate systems. They approach an integrated problem; we approach it with categorisation, and they exploit the gaps."*

— Dr. Hans-Jakob Schindler

## Analytic Commentary

The closing session shifts from describing the threat to diagnosing the response, and its contribution is to locate the failure in architecture and incentives rather than capability. The recurring image, three communities drawing three different maps of one network, explains why well-resourced states with excellent individual agencies nonetheless fail to act coherently: the obstacle is a missing mechanism to reconcile competing equities in advance, not a shortage of information. The arbitrage framework completes the diagnosis from the adversary's side: networks deliberately exploit the seams between siloed authorities, treating political, technological, jurisdictional and regulatory boundaries as opportunities rather than constraints. The two ideas are complementary: one explains why states fragment their own effort, the other shows how adversaries profit from that fragmentation.

The session's most sobering analytic claim is that intelligence sharing ultimately turns on a political decision, because, in the speakers' blunt formulation, credit means budget in the next cycle, and agencies are therefore built to collect rather than to share. This recasts a problem usually treated as technical or legal into one of incentive design, which matters because incentives, unlike cultures, can be deliberately altered. For India the constructive reading is that the highest-value interventions identified across the conference, cross-agency fusion and financial disruption, are organisational and political rather than capital-intensive, and are therefore achievable within existing institutions if the top-level decision to prioritise is taken. That decision, the conference's final speaker warned, is best taken before a maturing threat forces it.

### ANALYST'S NOTE · Global Strategies · Net Assessment

The response failure is architectural and incentive-driven rather than capability-driven: states fragment their own effort while adversaries arbitrage the seams.

Because intelligence sharing hinges on incentives ("credit means budget"), it is amenable to deliberate redesign rather than being an immovable cultural fact.

The conference's highest-value measures, fusion and financial disruption, are organisational and political, achievable within existing institutions given the decision to prioritise.

### IMPLICATIONS FOR INDIA · An Achievable Decision

The conference's highest-value measures, cross-agency fusion (NIA–NCB and beyond) and financial disruption, are organisational and political rather than capital-intensive, and are therefore achievable within India's existing institutions given the decision to prioritise.

Because intelligence sharing hinges on incentives ("credit means budget"), India can engineer integration by rewarding shared outcomes rather than individual seizures, a redesign of incentives, not of capability.

The Hezbollah–West Africa case is a warning to act before a maturing threat forces the issue: making the integrated narco-terror threat a deliberate, top-level national-security priority is the single most consequential step identified across the conference.

**SESSION 6 · KEY TAKEAWAYS**

- ▶ Intelligence sharing fails because the intelligence, military and law-enforcement communities draw three different maps of the same network; genuine collaboration requires a shared baseline with pre-agreed, distinct roles.
- ▶ AML/CFT must evolve from a finance-centric to a value-ecosystem model, since networks increasingly move "value-in-kind" invisible to bank-transaction monitoring.
- ▶ The human cost is central: fentanyl victims are poisoned, not merely "overdosing"; truth-based education, enforcement integration and civil-society mobilisation must run in parallel with following the money.
- ▶ India lacks unified, continuous data integration across services, paramilitaries and police; AI, geospatial and OSINT platforms can bridge the gap only where institutional synergy exists.
- ▶ The U.S. model now fuses defence, intelligence and law enforcement, uses vetted partner units, and is turning to open-source intelligence as the next frontier of the counter-cartel fight.
- ▶ Hezbollah's West Africa cocaine pipeline shows terror and organised crime fully fused; networks exploit political, technological, jurisdictional and regulatory arbitrage, which only a whole-of-government, internationally coordinated response can close, and that requires political priority.

## THEMATIC ANALYSIS

# Cross-Cutting Deep-Dives

*Six structural themes that ran through every session*

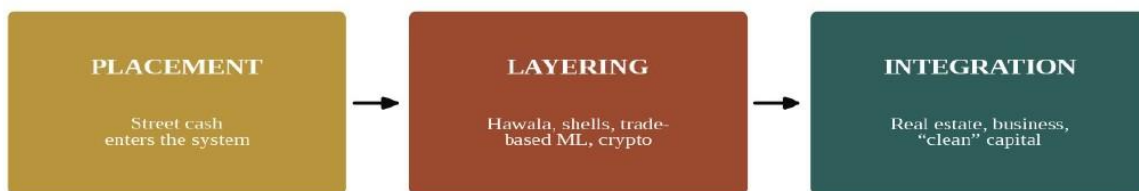
The session-by-session record preserves each speaker's distinct expertise, but the conference's deeper value lies in the themes that recurred across theatres and disciplines. This section draws those threads together into six analytical deep-dives. Each synthesises testimony from multiple sessions into a single argument, and each is the IRF Research Team's interpretation rather than the position of any individual speaker.

## 1. The Financial Architecture of Narco-Terror

If a single sentence captured the conference, it was that the decisive battlefield is financial. Yet "follow the money" is easier to assert than to operationalise, and the speakers collectively mapped why. The narco-terror financial system works as a network with redundant, substitutable channels rather than a single pipeline: when one is closed, value reroutes through another. Hawala and other informal value-transfer systems remain the resilient core, prized for their speed, deniability and reliance on trust rather than records. Around that core sit trade-based laundering, shell and front companies, real estate, the bulk physical movement of cash, and, increasingly, cryptocurrencies, privacy coins and stablecoins.

Three structural features make this architecture formidable. The first is value-in-kind: as one AML specialist stressed, networks increasingly settle in goods, gold, commodities, even trafficked labour rather than money, which conventional transaction-monitoring, built to watch bank flows, cannot see. The second is the laundering hub: across multiple sessions the Gulf, and Dubai in particular, recurred as the point where illicit proceeds are integrated into the legitimate economy through property and trade. The third is technological substitution, the migration from cash to mobile money to online platforms to crypto, each step taken as the previous one is regulated. The strategic implication, drawn explicitly by several speakers, is that the target must be the system's integration points and its value-in-kind settlement, beyond its visible bank transactions alone.

### How Narco-Proceeds Are Laundered: The Three-Stage System



**Figure 26.** The three-stage laundering model (placement, layering, integration) that underlies the narco-terror financial architecture, as described across Sessions 1 and 6.

**ASSESSMENT** Financial Centre of Gravity

The financial system's resilience comes from redundancy and substitutability; single-channel enforcement displaces rather than disrupts.

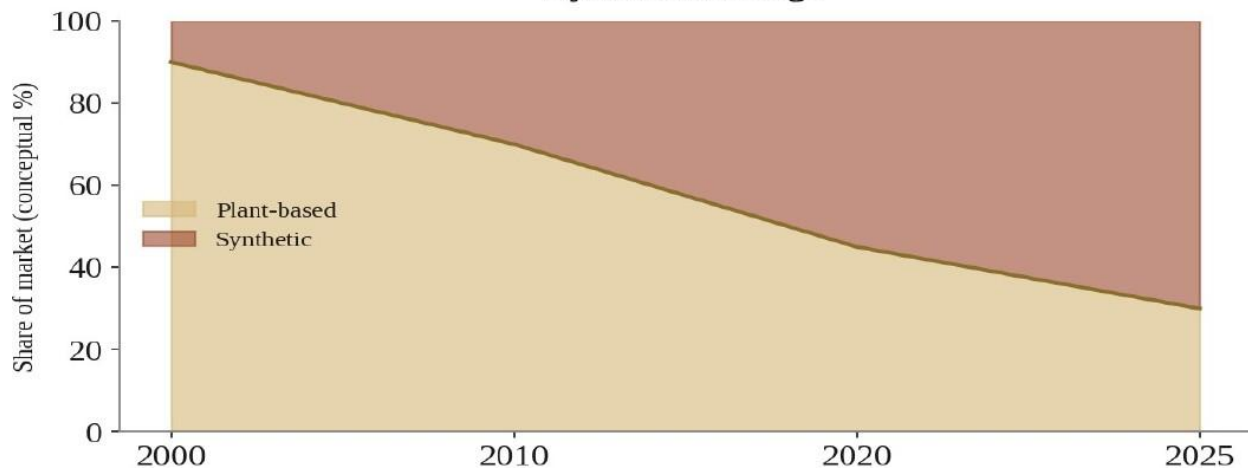
The highest-value targets are the integration points (notably Gulf laundering hubs) and value-in-kind settlement, both largely invisible to conventional transaction monitoring.

## 2. The Synthetic Transition and the End of Geography

The second structural theme is the shift from plant-based to synthetic drugs, which several speakers identified as the most consequential change in the global narcotics economy in a generation. Heroin and cocaine are agricultural products: they require specific climates, fixed cultivation, long supply chains and territory that can be observed, mapped and, in principle, denied. Methamphetamine and fentanyl require none of these. They demand only precursor chemicals and a laboratory that can be installed, dismantled and relocated within weeks. This "industrialisation of crime," in one judge's phrase, uncouples production from geography.

The consequences cascade through every other theme in this report. Production becomes far more resilient to enforcement, because there is no field to eradicate and no fixed site to raid, and far more profitable, because potency rises and bulk falls: fentanyl can be up to fifty times stronger than heroin, letting traffickers move tiny, easily concealed quantities. It also becomes far more internal, since a country no longer needs to sit astride a trafficking route to host production; it needs only a chemical industry and gaps in its oversight. This is why the Afghan opium ban displaced rather than ended the western trade, why Myanmar's output could double even as Afghanistan's collapsed, and why India's pharmaceutical strength is at once a vulnerability. The synthetic transition is the single trend that most decisively shifts the threat from the border to the interior.

### The Synthetic Transition: From Plant-Based to Synthetic Drugs



**Figure 27.** *The long shift from plant-based to synthetic drugs (conceptual), the structural change that uncouples production from geography and internalises the threat.*

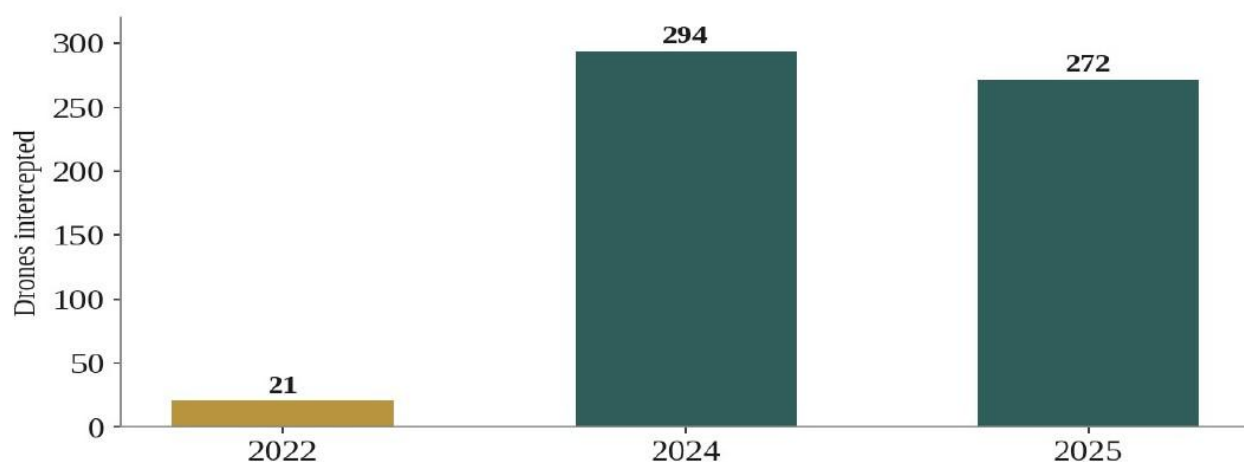
## 3. The Technology of Trafficking: Drones, Dark Web and Crypto

A third theme is the rapid technological sophistication of the trade across three frontiers, aerial, digital and financial, each of which outpaces the enforcement response. In the air, drones have transformed border infiltra-

tion: Punjab's interceptions rose from twenty-one in 2022 to nearly three hundred in 2024, and Myanmar has become the world's most active theatre for drone warfare, with insurgent groups fielding aerial and even anti-air capabilities. The same low-cost technology that saturates one conflict appears, within a season or two, on another border.

In the digital domain, the trade has migrated to the dark web and to parallel, encrypted communications that defeat conventional surveillance. In the financial domain, the third frontier, a single twelve-word seed phrase can generate an unlimited global network of cryptocurrency wallets, with operatives cashing out in permissive jurisdictions, and privacy coins such as Monero rendering even seized addresses analytically useless. The common thread is asymmetry: each technology is cheap, widely available and rapidly adopted by adversaries, while the institutional response, procurement, legislation, training, moves at the pace of bureaucracy. Closing this gap, the conference suggested, requires treating technology itself as a domain of the contest, with dedicated counter-drone, chain-analysis and OSINT capability built in advance of need rather than in reaction to it.

### Punjab Frontier: Drone Interceptions on the India–Pakistan Border



**Figure 28.** *The aerial frontier: drone interceptions on the Punjab border, illustrating the speed at which cheap trafficking technology scales (BSF figures, Session 1).*

#### 4. Criminal Governance and the Contest for the State

The fourth theme reframes narco-terrorism from a security problem into a governance problem. Across the Andes, Mexico, Myanmar and Afghanistan, speakers described how drug economies progressively contest, penetrate or replace the state rather than simply operating outside it. The progression is recognisable: a trafficking organisation first buys protection, then taxes territory, then provides the services, security, welfare, dispute resolution, infrastructure, that a weak or absent state does not, until it constitutes a parallel authority with effective sovereignty over its domain. Speakers labelled the end state variously as "narco-terrorism 3.0," "criminal governance" and "parallel power."

The analytic significance is that the decisive variable becomes the quality and legitimacy of governance rather than the quantity of drugs. The conference's most instructive contrast was between Latin American states where comparable enforcement intensity produced opposite outcomes: stabilisation where it was paired with institutional reform and legitimacy, fragmentation where it was not. For India this lesson lands most directly in the North-East and other border regions, where the prescription is to build genuine governance, the rule of law

and economic alternatives before, not after, the narco-economy fills the vacuum. Eradication and interdiction treat symptoms; governance addresses the condition that allows the disease to take hold.

### The Narco-Terror Value Chain: From Field to Finance



Two recurring choke points (every session): (1) FOLLOW THE MONEY (2) INTEGRATE ACROSS AGENCIES & BORDERS

**Figure 29.** The value chain along which criminal governance accrues, from production to terror finance, with the conference's two choke points of money and integration emphasised.

### 5. The Human Dimension as a Security Variable

The fifth theme insists that the human cost of the trade is a security variable in its own right, not a humanitarian footnote. The conference heard that addiction hollows out the youth, families and communities that constitute a society's resilience; that displaced and addicted populations become "double victims" and, simultaneously, a recruitment pool for the very networks that prey on them; and that demand, left unaddressed, guarantees the market's survival regardless of supply-side success. A father's account of losing his daughter to a fentanyl-laced pill reframed "overdose" as poisoning, and a diplomat's account of a bombed rehabilitation centre stressed that for many there is no sanctuary.

Treated analytically, the human dimension closes a loop that a purely supply-side strategy leaves open. Demand reduction shrinks the market; de-addiction and livelihoods shrink the recruitment pool; truth-based education hardens the next generation against the trade. Each is, in this framing, a security measure with a measurable effect on the adversary's revenue and manpower. The conference's recommendation, to integrate counter-narcotics with public health and refugee protection rather than treating them as separate portfolios, follows directly: a strategy that ignores demand and the displaced is both less humane and strategically incomplete.

### 6. The Integration Imperative

The sixth and final theme is the one on which every session converged: integration. The networks treat the world as a single integrated system and exploit the seams between siloed authorities, the political, technological, jurisdictional and regulatory arbitrage described in the closing session. States, by contrast, fragment their effort across agencies that draw different maps of the same network and are rewarded for collecting intelli-

gence rather than sharing it. The result is a structural mismatch: an integrated adversary confronted by a fragmented response.

The remedy identified across the conference has both a domestic and an international face. Domestically, it means fusion: standing, continuous joint structures with pre-agreed roles, rather than ad hoc coordination after a crisis. Internationally, it means real-time cooperation, even with uncomfortable partners, through shared databases, exchanged personnel and joint training. Underlying both is a point the closing speakers made bluntly: integration ultimately depends on incentives and political will, because "credit means budget" and agencies are built to hoard rather than share. The encouraging corollary is that incentives can be deliberately re-designed, which means the single most important counter-measure identified by the entire conference is achievable within existing institutions, given the decision to prioritise.

### The Arbitrage Problem (Schindler): Networks Exploit the Seams



**Figure 30.** The four forms of arbitrage through which an integrated adversary exploits the seams of a fragmented response, the structural problem that the integration imperative is meant to solve.

#### ASSESSMENT The Central Mismatch

The defining structural problem is an integrated adversary confronted by a fragmented response; closing the seams is therefore the highest-order objective.

Because integration hinges on incentives rather than capability, it can be engineered within existing institutions, making political will rather than resources the binding constraint.

## SYNTHESIS

# Cross-Cutting Analysis & Conclusion

*What the conference, taken as a whole, tells us*

## Conclusion

Over two days and seven sessions, the International Conference on Countering Narco-Terrorism assembled a rare breadth of testimony, from former intelligence chiefs and military commanders to diplomats, prosecutors, financial-crime specialists, a reformed cartel insider and a bereaved father, spanning the Golden Crescent, the Andes, Mexico, the Golden Triangle, India and West Africa. Despite the diversity of vantage points, the proceedings converged on a single, coherent picture. The conventional separation between the narcotics trade and terrorism has dissolved, leaving one integrated, adaptive, transnational system in which the production and trafficking of drugs generates the finance that arms insurgents, sustains terror networks, corrupts states and weakens societies from within.

## Drugs as a Strategic Instrument, Not Mere Contraband

The conference's first conclusion is that narcotics have become a strategic instrument. Estimated at between US\$320 billion and US\$500 billion or more annually, the illicit drug economy is among the largest shadow economies on earth. Its defining feature is margin rather than volume: a hundred-fold markup from source to street that no state-welfare programme can match, which is why speakers from Afghanistan, Latin America and India all attested that the drug economy becomes the dominant economic institution wherever governance is weak. Drugs, in this sense, now function less as contraband to be seized than as currency for terror, weapons and parallel power.

## The Synthetic Revolution: Uncoupling Crime from Geography

The second cross-cutting conclusion is structural. The shift from plant-based to synthetic drugs, methamphetamine and fentanyl, has uncoupled the trade from geography. Production no longer requires fields, fixed territory or long crop supply chains, only precursor chemicals and a laboratory that can be assembled and relocated within weeks. This makes the trade far more resilient to enforcement, far more profitable and lethal, and, most consequentially for India, far more internal. The threat can now emerge inside a country's own cities, and India's large pharmaceutical and chemical industries are at once a strategic strength and a precursor-diversion vulnerability, repeatedly named, by a former kingpin among others, as a source of supply to the global synthetic economy.

## Criminal Governance and the Capture of the State

A third conclusion, advanced most forcefully in the Andean and Mexican sessions but echoed from Myanmar to Afghanistan, is that drug economies are political systems, not merely criminal enterprises. They penetrate, bend, intimidate, buy or coexist with the state: "narco-terrorism 3.0," "criminal governance," "parallel power." In parts of Latin America the question is no longer whether the state is absent but whether it has been partially captured. In Myanmar, ethnic armed organisations function as economic and strategic actors in zones of competing influence rather than state control. Even where, as in Mexico, the cartels pursue no political agenda beyond protecting their profits, their capacity to tax, enforce and govern erodes sovereignty itself.

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## Geography as Destiny: India's Dual-Front Exposure

Fourth, the conference repeatedly returned to India's singular exposure. No other major state lies between two great production zones: the Golden Crescent to the west and the Golden Triangle to the east. The 2022 Taliban ban has not ended the western trade but displaced it, into synthetics, into Afghanistan's north, and decisively into Myanmar, where conflict economies have driven opium to roughly twice Afghanistan's former output and turned India's North-Eastern borderlands into ungoverned, drone-saturated frontiers. From the drones of Punjab to the dhows of the Makran coast to the methamphetamine super-labs of Shan State, India faces an aerial, maritime and internal threat simultaneously, with governance gaps, from porous borders to SEZ jurisdiction, that the networks exploit with practised skill.

## The Human Cost

Fifth, the conference refused to reduce the threat to seizures and statistics. It heard from a father whose daughter was poisoned by a fentanyl he had never encountered in three decades of policing; from a diplomat who described displaced, addicted refugees as "double victims" and the bombing of a rehabilitation centre as the cruelest proof that, for too many, there is no sanctuary; and from speakers across every panel who traced how addiction hollows out youth, families and whole communities, in Punjab, in Mizoram and Manipur, in Afghanistan and across Latin America. Human security, as one speaker argued, must be expanded to encompass the safety of individuals, the stability of families, the resilience of communities and the trust between citizens and institutions, all of which narcotics undermine at once.

## The Two Constants: Follow the Money, and Integrate

Finally, two prescriptions appeared in every session. The first is finance: whether through hawala, shell companies, trade-based laundering, real estate, cryptocurrency, privacy coins or "value-in-kind," it is the movement of money, not of drugs, that sustains these networks, and the financial layer is the one most vulnerable to transparency. "Criminal networks survive on secrecy," as one speaker put it, "but they collapse under transparency." The second is integration: the conviction that no single agency and no single country owns this problem. The networks treat the world as one integrated system and exploit the seams between jurisdictions and disciplines; the response must therefore fuse defence, intelligence, law enforcement, finance and diplomacy, within nations and across them, and must be made a deliberate, top-level political priority. As the closing speaker warned, the time to close these gaps is before the next attack, not after it.

Narco-terrorism, the conference concluded, is a complex and insidious threat that funds violence, corrodes governance, damages society and creates parallel systems of power. Intercepting drugs alone will not defeat it; that requires dismantling the financial and operational networks that sustain the violence, in coordination and without compromise. In this fight, as the inaugural address insisted, neutrality is not an option, and delay is a luxury that cannot be afforded.

## The Trajectory: Where the Threat Is Heading

Read as a whole, the conference described a trajectory, and its direction is clear. Production is shifting east and synthetic, moving from the fields of the Golden Crescent towards the laboratories of the Golden Triangle and, increasingly, towards the interiors of consumer states themselves. Finance is shifting digital, migrating from cash and hawala towards cryptocurrencies, privacy coins and value-in-kind settlement that conventional monitoring cannot see. Delivery is shifting aerial and maritime, from the mule and the courier towards the drone and the bulk maritime consignment. Governance is shifting downward, as criminal authority accretes in the spaces the state has vacated. These vectors point the same way: towards a threat that is more internal, more

technological, more financial and more closely fused with political violence than the one most states are currently organised to fight.

For India specifically, the trajectory implies that the comfortable framing of narcotics as a border-control problem is already obsolete. The western front will increasingly deliver precursors and synthetics rather than heroin; the eastern front will deliver methamphetamine and drone-enabled infiltration from an ungoverned space; the maritime south will deliver tonnage; and the digital domain will deliver both product and laundering capacity into the heart of the country. The threat is converging on India from every axis at once, and the window in which to build an integrated response, before the threat fully matures, is the present one.

### What Success Would Look Like

The conference was unusually concrete about the shape of an effective response, and its prescriptions can be assembled into a coherent picture of success. A successful state would treat narco-terrorism as a national-security campaign rather than a law-enforcement portfolio, directed from the highest office and fusing defence, intelligence, law enforcement, finance and diplomacy into a standing, continuous structure rather than an occasional coordinating committee. It would make financial disruption, not seizure volume, its principal metric of success, targeting integration points, value-in-kind settlement and bulk cash with the same rigour it applies to drugs. It would treat technology as a contested domain, fielding counter-drone, chain-analysis and open-source capabilities in advance of need. It would close its own governance seams, from porous borders to special-economic-zone jurisdiction gaps, and build genuine presence in the peripheries where the narco-economy would otherwise root. And it would treat demand reduction and the protection of the displaced and addicted not as humanitarian afterthoughts but as security measures that shrink the adversary's market and recruitment pool.

Above all, success would mean integration made real: a state that, like its adversaries, treats the problem as a single integrated system rather than a set of separate challenges parcelled out among competing agencies. The encouraging conclusion the conference reached is that this transformation is, in the main, organisational and political rather than capital-intensive, which means it is achievable within existing institutions, and the binding constraint is not resources but the deliberate decision to prioritise. That decision, every session agreed, is best taken now.

*We are not fighting a war on drugs. We are fighting a war on the networks that turn drugs into violence, and that war is won by following the money and closing the seams.*

— Synthesis of the conference proceedings

## Key Recommendations

The following recommendations distil the actionable proposals advanced across the conference. Attributions indicate the speaker(s) who most directly articulated each point; many were echoed widely.

### 1. Shift from Coordination to Integration

The conference's single most consistent finding was that fragmentation is the adversary's greatest asset. Coordination, agencies meeting when a crisis demands it, is not enough; what is required is integration, a standing fusion of mandates in which roles are pre-agreed and trade-offs resolved before, not after, an operation.

- Establish a unified, whole-of-government national-security campaign against narco-terrorism that fuses defence, intelligence, law enforcement, finance and diplomacy under a single top-level mandate (Dr. Barry Zulauf; Carlos Olivo).
- Create a permanent, continuous joint structure, not event-based command centres, with pre-agreed roles for collection, prosecution and kinetic action, and mechanisms to resolve trade-offs in advance (Carlos Olivo; Dr. Sidharth Shukla).
- Consider, on the model of several European and North American governments, a dedicated coordinator ("czar") in the highest office to drive priority and break inter-agency silos (Dr. Barry Zulauf).

### 2. Make Financial Disruption the Centre of Gravity

If the trade is sustained by margin rather than volume, then its finance is its centre of gravity. Every session returned to the same conclusion: seizing drugs treats symptoms, while disrupting the movement and laundering of money attacks the disease, and the financial layer is the one most vulnerable to transparency.

- Move from a finance-centric to a value-ecosystem-disruption model that targets "value-in-kind", drugs, gold, commodities, trafficked labour, not only bank transactions (Vipul V Tamhane).
- Prioritise bulk-cash interdiction alongside digital laundering: for every kilo of drugs seized, roughly 1.5–2 kilos of currency move back to source (Margarito Flores).
- Strengthen AML/CFT frameworks, monitor informal value-transfer (hawala) systems, which are fragile and collapse under transparency, and target financial enablers, not just traffickers (Dr. Harjit Sandhu).
- Build capacity to trace cryptocurrency, privacy coins and stablecoins, and regulate virtual digital assets while recognising the limits imposed by jurisdiction and anonymity (Rohas Nagpal).

### 3. Secure India's Borders and Maritime Gateways

India's dual-front geography and 7,500-kilometre coastline make border and maritime security a precondition for everything else. The threat now arrives by air, by sea and by land simultaneously, and the agencies guarding each vector too often operate in isolation from one another.

- Establish a National Border Security Command, a unified, 360-degree structure spanning the western and north-eastern fronts, modelled on the Unified Command in Jammu & Kashmir (Maj Gen Rajan Kochhar).
- Deploy counter-drone and electronic-warfare capabilities, including directed-energy weapons, and AI-driven container risk-profiling at ports (Yashovardhan Azad; Maj Gen Rajan Kochhar).

- Close the SEZ and container-freight-station jurisdiction gap so that enforcement and intelligence agencies retain search authority over goods entering and leaving the country (Dr. Shreekumar Menon).
- Invest in maritime surveillance against the southern route and "night cargo" transfers; strengthen the Coast Guard, Customs and coastal police in manpower, craft and equipment (Dr. Shreekumar Menon; Rakesh Asthana).

#### 4. Control Precursors and the Synthetic Pipeline

The synthetic revolution shifts the strategic target from fields to chemicals and from borders to laboratories. Because India is both a potential victim and, as several speakers candidly noted, a cited source of precursors, control of the chemical supply chain is at once a domestic-security and an international-responsibility imperative.

- Tighten monitoring of ephedrine, pseudoephedrine, acetic anhydride and other precursors to prevent diversion from India's pharmaceutical and chemical sectors (Dr. Rajender Pal Singh).
- Target processing units and laboratories, the collection points, rather than relying on crop eradication, which is ineffective and unjust to farmers (Masoom Stanekzai; Dr. Alba Maria Gonzalez Rolon).
- Treat the synthetic threat as increasingly domestic and pursue precursor-source diplomacy with China, India and other suppliers (Dr. Barry Zulauf; Stefano Ritondale).

#### 5. Fuse and Modernise Intelligence

Intelligence failures at the conference were diagnosed as failures of architecture, not of collection. The remedy is to fuse what is already known, across services, paramilitaries and partners, and to modernise the analytic tools that turn fragmented data into shared, actionable judgement.

- Fuse the NIA and NCB down to the district level, and integrate the NCB, DRI, IB, state police and maritime agencies for real-time coordination (Maj Gen Rajan Kochhar; Yashovardhan Azad).
- Build unified, cross-agency databases and AI-driven predictive and pattern analysis across structured and unstructured data, applied to cartels as rigorously as to terrorists (Dr. Sidharth Shukla).
- Develop open-source-intelligence capability as a primary, shareable tool, analysing aggregates and trends, to enable cooperation with partners where classified sharing is impossible (Stefano Ritondale).
- Invest in human intelligence and informants, and reform laws to make cooperation by insiders enticing and protected (Margarito Flores; Mike Chavarria; Maj. Namrata Dhasmana).

#### 6. Strengthen Governance and Institutional Resilience

Where governance is absent, the narco-economy supplies its own. The conference's governance-first speakers argued that resilience, institutions strong enough to resist capture and legitimate enough to earn trust, is the decisive long-term variable, especially in India's exposed border regions.

- Apply the five-pillar resilience framework: security with presence, institutional armour, economic alternatives, cooperation, and rebuilding legitimacy (Maj. Namrata Dhasmana).
- Establish genuine governance and the rule of law in India's North-Eastern border states, deploy "smart fence" technology, and protect the Kaladan project with a dedicated security grid (Lt Gen Shokin Chauhan).

- Reform the legal system with fast-tracked courts and exemplary punishment to end interminable delays in narcotics prosecutions (Maj Gen Rajan Kochhar).

## 7. Prioritise Demand Reduction and the Human Dimension

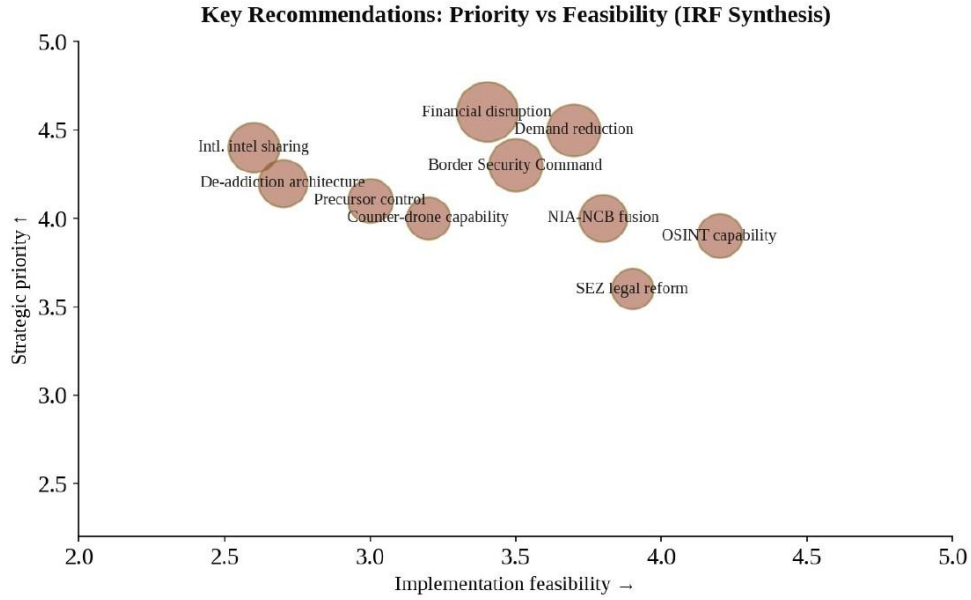
A supply-side strategy alone is unsustainable while demand persists and while addiction hollows out the very populations the state must protect. The human-dimension speakers insisted that demand reduction and victim-centred care are not soft adjuncts but hard security measures that shrink both the market and the recruitment pool.

- Build a whole-of-society de-addiction and rehabilitation architecture and youth education, treating demand reduction as "50 per cent of the battle" (Maj Gen Rajan Kochhar; Taranjit Singh Sandhu).
- Deliver truth-based, early and consistent education, "one pill can kill", supported by naloxone availability and victim narratives (Steven Filson).
- Integrate counter-narcotics, refugee protection and public health; invest in trauma-informed treatment and livelihoods for displaced and addicted "double victims" rather than punitive responses (Ambassador M. Ashraf Haidari).

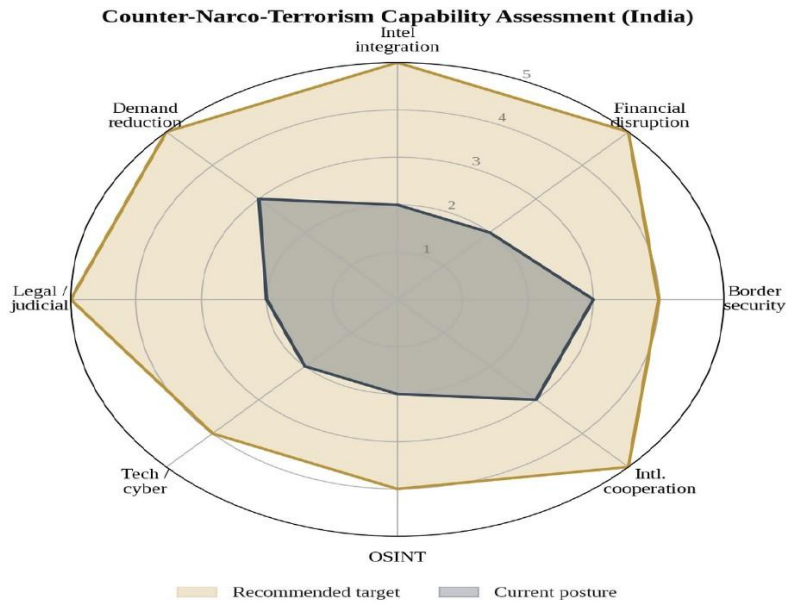
## 8. Deepen International and Regional Cooperation

The networks are transnational by design; a national response, however well integrated, will always be out-flanked unless it reaches across borders. Cooperation must be real-time and operational, and, the conference stressed, must extend even to uncomfortable partners where shared interest exists.

- Pursue real-time cross-border intelligence sharing, "intelligence does not improve with age", through common databases, exchange of personnel and joint training that leads to joint operations (Dr. Rohan Gunaratna; Dr. Harjit Sandhu).
- Use vetted partner units and host-nation-led operations to respect sovereignty while extending reach (Stefano Ritondale).
- Recognise that terrorism and organised crime are fused in theatres such as West Africa, and build task forces able to bridge regulatory gaps and counter political, technological, jurisdictional and regulatory arbitrage (Dr. Hans-Jakob Schindler).
- Above all, make the integrated narco-terror threat a deliberate, top-level political priority, before the next attack, not after it (Dr. Hans-Jakob Schindler; Vipul V Tamhane).



**Figure 31.** Recommendations plotted by strategic priority against implementation feasibility (IRF synthesis); bubble size reflects the breadth of support each measure drew across the panels.



**Figure 32.** The capability gap these recommendations are designed to close: India's current posture against the target posture implied by the conference (reproduced from the Strategic Threat Assessment).

## **Vote of Thanks**

The Indic Researchers Forum extends its gratitude to every speaker, chair, host and participant who gave generously of their time and expertise across two demanding days, and to its partner Avellon Intelligence. The Forum is committed to sustaining this dialogue and to translating its conclusions into research, advocacy and policy engagement in the service of India's, and the wider region's, security.

End of the Conference Report

## ANNEX A

# Methodology & Analytic Standards

## *How this report was produced and how its judgements should be read*

This annex sets out how the report was compiled, the standards applied to its analytic judgements, and the limitations the reader should keep in mind. It is included in the spirit urged repeatedly by the conference itself: that intelligence products should be explicit about sourcing, confidence and method.

### Sources and compilation

The report rests on the primary record of the conference: the proceedings of seven sessions held across 10–11 April 2026, comprising the prepared remarks and discussion of more than thirty-five speakers. The Research Team worked from the session transcripts, structuring each speaker’s contribution into its principal lines of argument while preserving attribution. Where a speaker advanced a notable formulation, it is reproduced as a pull-quote; everywhere else the testimony is summarised in the Team’s own words.

Figures cited in the report originate, except where otherwise stated, in the speakers’ own remarks. Many such figures were themselves attributed by speakers to bodies such as the United Nations Office on Drugs and Crime, national agencies, or the speakers’ own field research. Because the underlying source in such cases is oral testimony rather than a primary document, all quantitative figures should be read as indicative and are labelled approximate in the captions.

### Analytic standards

The structured-analytic elements of this report, the comparative regional threat matrix, the strategic risk register, the capability radar and the network schematics, are the product of the IRF Research Team, not of any single speaker. They apply a small number of standard intelligence-analysis conventions:

- **Bottom Line Up Front (BLUF).** The most important judgement of a section is stated first, in a marked box, before the supporting detail.
- **Explicit confidence.** Analytic graphics are labelled as IRF assessments and described as heuristic; they are instruments for organising judgement, not measurements.
- **Separation of fact and judgement.** Reported testimony is kept distinct from the Team’s interpretation, which appears in clearly marked assessment boxes and in the synthesis and conclusion.
- **Source attribution.** Judgements are tied, wherever possible, to the speaker or speakers whose testimony supports them.

### A note on probability and severity language

Where the report characterises a risk as, for example, “severe”, “high”, “moderate” or “rising”, these are qualitative bands reflecting the weight of the conference testimony, not calibrated statistical estimates. The risk register positions threats relative to one another along axes of likelihood and impact; the positions are ordinal and comparative, and should not be read as point estimates.

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## Limitations

Three limitations deserve emphasis. First, the evidentiary base is the conference itself: this is a synthesis of expert testimony, not an independent investigation, and it inherits both the insight and the vantage-point of its speakers. Second, several speakers addressed contested and politically sensitive matters, including allegations against named states and agencies, which are reported as their assessments and attributed accordingly, without independent verification by IRF. Third, the figures are, as noted, indicative. The report should therefore be used as an informed strategic orientation and a guide to expert opinion, to be tested against primary data before operational or policy decisions are taken.

### NOTE · On Attribution of Allegations

Statements concerning the involvement of specific states, agencies or named individuals in trafficking or facilitation reflect the assessments of the speakers who made them. They are reported here for completeness and attributed to their source; their inclusion does not constitute endorsement or independent confirmation by the Indic Researchers Forum.

## ANNEX B

# Trafficking Routes & Theatres at a Glance

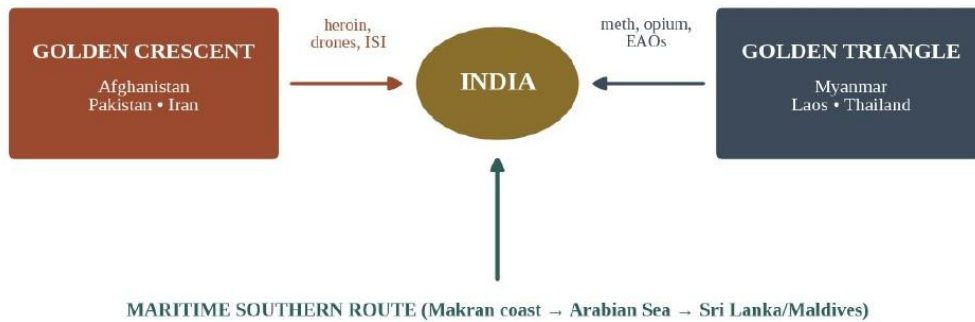
*A consolidated reference to the corridors described across the conference*

This annex consolidates, in a single reference table, the principal trafficking theatres and corridors described across the seven sessions, together with their dominant products and an indicative severity band drawn from the report's threat assessment. Sub-routes are indented beneath their parent theatre. Severity bands are qualitative and follow the convention set out in Annex A.

Theatre / Route	Geography	Dominant product & character	Severity
Golden Crescent	Afghanistan, Pakistan, Iran	Heroin & opiates; rising synthetics (meth, captagon-type)	Severe
Southern route	Makran coast → Gulf of Oman → Arabian Sea	Maritime “night cargo” via dhows to larger ships; onward to Sri Lanka, Maldives, Australia	Severe
Western route	Iran → Turkey → Balkans → Europe	Land trafficking of opiates to European markets	High
Northern route	Afghanistan → Central Asia → Russia/E. Europe	Displaced cultivation in Badakhshan; onward north	Moderate
Golden Triangle	Myanmar, Laos, Thailand	Opium (now ~2× Afghanistan) & industrial-scale methamphetamine	Severe
NE India spillover	Myanmar → Mizoram, Manipur, Nagaland	Porous 1,663 km border; meth tablets, “happy water”; EAO-controlled	Severe
Andaman maritime	Myanmar → Andaman Sea	Trawler-borne methamphetamine mega-loads (US\$4.5B haul cited)	High
Andean complex	Colombia, Peru, Bolivia, Ecuador	Cocaine production; Clan del Golfo, transnational reach	Severe
West Africa bridge	S. America → Gulf of Guinea → Sahel → N. Africa → Europe	Cocaine via JNIM/ISIS territory; Hezbollah laundering	Severe
Mexico hub	Mexico (Sinaloa, CJNG)	Synthetic assembly (fentanyl, meth); precursors from China & elsewhere	Severe
India internal	Punjab, J&K, NCR, ports, South	Drone infiltration; precursor diversion; maritime; dark-web/crypto	High & rising

Two cross-cutting features recur across these theatres and are not captured by any single row. The first is the maritime dimension: every major production zone ultimately reaches a coastline, and the conference repeatedly stressed that maritime trafficking moves in tonnes where air and land move in kilograms. The second is the financial dimension: each route terminates not in a market but in a laundering system, hawala, trade-based laundering, real estate, the Gulf hubs and, increasingly, cryptocurrency, which is where the conference judged the networks most vulnerable to disruption.

### India's Dual-Front Exposure: The Only Major State Between Both Zones



**Figure 33.** India's dual-front exposure between the Golden Crescent and the Golden Triangle, with the maritime southern route completing the picture (reproduced from Session 4).

## ANNEX C

# Indicators & Warnings Watchlist

*Observable signals, what they may indicate, and a first analytic response*

The conference repeatedly emphasised that the narco-terror system signals its movements before its effects become visible: in prices, in financial flows, in the equipment of armed groups, in the health data of communities. This annex distils those signals into an indicators-and-warnings watchlist: a set of observable indicators, the development each may point to, and a first analytic or operational response. It is offered as a practical instrument for analysts and policymakers, derived from the testimony recorded in this report; it is illustrative rather than exhaustive.

Observable indicator	What it may indicate	First response
Sudden local price collapse or spike for a precursor (e.g. ephedrine, acetic anhydride)	New laboratory capacity or a diversion pipeline forming	Audit pharma/chemical distributors; tighten end-use verification
Cluster of overdoses involving an unfamiliar substance or potency	Arrival of a synthetic (fentanyl analogue) in a new market	Forensic typing; naloxone pre-positioning; supply-source tracing
Rise in drone interceptions on a border sector	Shift to aerial infiltration; an established air corridor	Counter-drone/EW deployment; pattern-of-life analysis
Unexplained real-estate or construction boom in a transit town	Integration-stage laundering of narco-proceeds	Beneficial-ownership and source-of-funds investigation
Spike in privacy-coin or stablecoin flows via local exchanges	Migration of laundering to crypto rails	FIU liaison; exchange KYC enforcement; chain analytics
EAO/insurgent acquisition of advanced UAS or anti-air systems	Drugs-for-weapons exchange maturing	Cross-border intelligence sharing; interdiction of barter routes
Surge in refugee inflow with untreated addiction	A vulnerability pool for recruitment & exploitation	De-addiction capacity; safeguarding; livelihood programmes
Seizure data flat while market indicators (use, deaths) climb	Enforcement displacement, not disruption	Re-target the financial layer rather than volume interdiction
Jurisdictional dispute blocking a search (e.g. SEZ/CFS)	A governance seam being exploited	Close the legal gap; pre-agree inter-agency search authority
Politicisation of a major seizure across a border	Cooperation breaking down at the political level	Insulate technical channels; depoliticise data sharing

No single indicator is conclusive. Their value lies in combination: a precursor-price anomaly alongside a construction boom and a rise in privacy-coin flows tells a story that none of the three tells alone. The conference's recurring prescription applies here too: the watchlist is only as useful as the integration behind it, and depends on agencies that are willing, and politically empowered, to share what they see.

**ASSESSMENT** Net Judgement

The highest-value early-warning signals identified across the conference were financial (precursor pricing, laundering flows) and equipment-based (advanced UAS in insurgent hands), precisely the indicators most likely to be missed where agencies operate in silos.

Treating these indicators as a shared, cross-agency watchlist, rather than the property of any single service, is the practical expression of the “integration” theme that ran through every session.

## ANNEX D

# Theatre Dossiers

## *Structured intelligence profiles of the six principal theatres*

This annex presents a structured, one-look profile of each of the six principal theatres examined at the conference, in a consistent intelligence-product format. Each dossier synthesises the relevant session testimony into a common set of fields: overview, key actors, products and routes, financial methods, the India linkage, and outlook. The dossiers are IRF syntheses; severity language follows the convention set out in Annex A, and figures are indicative.

### **Dossier I: The Golden Crescent (Afghanistan–Pakistan–Iran)**

**Overview:** A mature, state-facilitated politico-criminal system. The 2022 Taliban opium ban cut cultivation by an estimated 80–95% but displaced the trade northward, into synthetics and into higher prices, leaving routes and finance intact.

**Key actors:** Taliban-approved traffickers; elements of Pakistan’s ISI and Iran’s IRGC/Quds as facilitators; heroin-processing networks in the Balochistan borderlands; Kashmir-oriented groups (LeT, JeM) as downstream beneficiaries.

**Products & routes:** Heroin and opiates, with a shift to methamphetamine and captagon-type tablets. Southern (Makran maritime), western (Iran–Turkey–Balkans) and northern (Central Asia) corridors.

**Financial methods:** Hawala core; Gulf laundering hubs (notably Dubai) through real estate and trade; a drugs-for-weapons barter that converts narcotics revenue into arms for insurgent groups.

**India linkage:** Direct: the network that arms Kashmir-oriented groups also pushes heroin into Punjab and the hinterland via drones and the maritime south, fusing the narcotics and terror problems.

**Outlook:** Severe and adaptive. Expect continued migration from heroin towards precursors and synthetics, with the facilitation and laundering layers undegraded by the cultivation collapse.

### **Dossier II: The Golden Triangle (Myanmar–Laos–Thailand)**

**Overview:** Post-coup Myanmar has become the centre of gravity of global opium production, roughly twice Afghanistan’s former output, alongside industrial-scale methamphetamine, in territory the central state no longer controls.

**Key actors:** Ethnic Armed Organisations (UWSA, KIA, others) functioning as economic-strategic actors; People’s Defence Forces; Chinese precursor and weapons supply chains; cross-border syndicates into Thailand and Laos.

**Products & routes:** Opium and high-purity methamphetamine; new substances such as “happy water.” Spillover into India’s North-East across a porous 1,663 km border; Andaman maritime route.

**Financial methods:** Narcotics, resource extraction and informal taxation; a ~US\$60bn meth-and-precursor trade; drugs-for-weapons exchange including advanced and anti-air systems.

**India linkage:** Acute: contiguous ungoverned space drives meth into Mizoram, Manipur and Nagaland; the Kaladan corridor is strategically exposed; drone warfare is maturing on India’s doorstep.

**Outlook:** Severe and worsening. A governance vacuum with no clear counterpart for cooperation; the priority is presence and governance over interdiction alone.

### Dossier III: The Andean Cocaine Complex

**Overview:** Source of the overwhelming majority of the world's cocaine, with production rising and markets expanding into Europe via West African transshipment; an arena of advancing “criminal governance.”

**Key actors:** Colombian successor organisations (e.g. Clan del Golfo); Balkan and Albanian networks; corrupt port and state officials; Hezbollah-linked laundering and gold operations.

**Products & routes:** Cocaine, increasingly resurgent. Andes → Gulf of Guinea → Sahel → North Africa → Europe; direct maritime routes to European and Australian markets.

**Financial methods:** Trade-based laundering, gold, shell structures and “narco-terrorism 3.0” fusion of crime, terror and corruption through concealed finance.

**India linkage:** Indirect but instructive: a model of how a corrupt coastline exports instability and of how production matures into parallel authority, a warning of trajectory rather than a present Indian market.

**Outlook:** Severe where governance is weak; outcomes diverge sharply with institutional legitimacy, as the El Salvador–Ecuador contrast shows.

### Dossier IV: Mexico & the Synthetic Hub

**Overview:** No longer a transit country but a strategic hub for the production, assembly, logistics and export of synthetic drugs; cartels behave as profit-maximising multinational enterprises.

**Key actors:** CJNG and Sinaloa as “mega-cartels” with 20–25 subordinate groups; global partners among bikers, the Italian mafia and the triads; corrupt officials.

**Products & routes:** Fentanyl and methamphetamine from imported precursors; cocaine resurgence; distribution into the U.S. and, increasingly, in-country synthetic manufacture exported worldwide.

**Financial methods:** Bulk cash (the under-targeted core, ~1.5–2 kg currency per 1 kg drugs) alongside crypto, dark-web and trade-based value transfer.

**India linkage:** Direct and uncomfortable: India repeatedly cited as a precursor source alongside China, linking Indian regulatory choices to the resilience of the synthetic economy.

**Outlook:** Severe. Product substitution and in-country synthetic manufacture make interdiction of any single drug futile; the target is the enterprise's cost structure and cash flow.

### Dossier V: West Africa & the Terror–Crime Bridge

**Overview:** The structural hinge connecting Andean production to European markets and terror finance; simultaneously the site of the largest contemporary terrorist expansion.

**Key actors:** JNIM (al-Qaeda) in Burkina Faso; the ISIS affiliate in Mali; Hezbollah transport, distribution and “laundering-as-a-service” networks.

**Products & routes:** Cocaine landed on the Gulf of Guinea, moved north through JNIM/ISIS territory to North Africa and Europe, with proceeds laundered to Lebanon.

**Financial methods:** Cross-ideological cooperation for mutual profit; political, technological, jurisdictional and regulatory arbitrage exploiting the seams between siloed authorities.

**India linkage:** Indicative warning: demonstrates the full fusion of terrorism and organised crime, and the futility of treating them as separate challenges, the lesson India is urged to absorb pre-emptively.

**Outlook:** Severe and under-prioritised; disrupting the cocaine flow would simultaneously degrade three armed networks, yet political priority is lacking.

### **Dossier VI: India (Internal)**

**Overview:** The only major state between both great production zones, now facing a comprehensively internalised threat across chemistry, sea and cyberspace, no longer adequately described as a border problem.

**Key actors:** Cross-border traffickers and their state facilitators to west and east; domestic synthetic-lab networks; hawala operators; dark-web and crypto launderers; radicalised cells in the south.

**Products & routes:** Heroin and precursors (west), methamphetamine (east), maritime tonnage (south), and dark-web/crypto distribution (digital). Drones, dhows and containers as vectors.

**Financial methods:** Hawala, trade-based laundering, real estate, bulk cash, and increasingly cryptocurrency and privacy coins; precursor diversion from the pharmaceutical sector.

**India linkage:** The convergence point of every other dossier; strengths (pharma, ports, digital adoption, SEZs) double as vulnerabilities requiring regulatory and architectural remedies.

**Outlook:** High and rising. Closing intelligence-integration and financial-disruption gaps is assessed as feasible within existing institutions, contingent on a top-level political decision to prioritise.



# INDIC RESEARCHERS FORUM

Civilisation • Security • Statesmanship

This report is a product of the Indic Researchers Forum, based on the proceedings of the International Conference on Countering Narco-Terrorism, 10–11 April 2026.

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