

Illegal trade in ODS

Investigations undertaken by the Environmental Investigation Agency (EIA), based in the United Kingdom, reveals that illegal trade in ODS is a thriving business in many parts of the world. A country-wise description of such activities have been listed below.

INDIA: EIA has obtained evidence indicating that contraband ozone-depleting chemicals are smuggled into India from Nepal and Bangladesh. This illegal trade is undermining India's efforts to control the trade and phase-out of these harmful chemicals in accordance with the Montreal Protocol. During early 1999 and March 2000, more than 800 t of ODS was smuggled into India, totalling 12 per cent of national consumption and signifying heavy losses for the national treasury.

NEPAL: Nepal's import figures reveal serious discrepancies. During January 1999 and June 2000, Nepal imported more than 422 t of ODS, although the country's official annual consumption under the Montreal Protocol is approximately 50 t. EIA's investigations uncovered that much of this originally transits through India and is then turned-around and smuggled back through border crossings.

BANGLADESH: Bangladeshi companies are also involved in similar activities to move contraband ODS into India. Indian Customs officers recently seized 281 illegal disposable cylinders of CFCs and HCFCs shipped through Bangladesh. Since 1995, import of ODS into Bangladesh has risen. In 1994, only 181 ODP tonnes were imported, but by 1997 imports reached 832 ODP tonnes. This has resulted in a considerable increase in the baseline on which the nation's phase-out schedule is calculated. This elevation in the baseline allows Bangladesh to import more ODS than required for its domestic needs over the phase-out period, creating a surplus that finds its way into the black market.

PAKISTAN: Smuggling of CFCs into Pakistan has risen over the last couple of years, fuelled by a domestic quota that is small when compared with demand and abetted by corrupt officials. Pakistan's Ministry of Commerce has in the last few years been issuing import authorization to firms who are not involved in the refrigeration business and have never before imported refrigerants. In September 2000, several 20 foot containers of CFC-11 and CFC-12 were illegally imported into Pakistan by declaring that the containers held HCFC-22. The smugglers had placed a single layer of HCFC-22 cylinders next to the door of each container to disguise the contraband. Another method used by smugglers is to misdeclare the quantity of imports. Pakistan also receives considerable quantities of smuggled CFCs through its land borders with India.

MALAYSIA: A new form of smuggling recently came to light in Malaysia. Cylinders labelled and packaged as containing HFC-134a were discovered to actually contain CFC-12. Although false labelling is not new, in this gas the buyers were duped into believing that they were legally getting substitutes to CFCs. In a more traditional smuggling case, Malaysian authorities seized four containers containing 4,600 cylinders of CFC-12 in February 2000. These products were found to be counterfeits manufactured in China.

THE PHILIPPINES: Instances have been discovered wherein vehicle air-conditioning systems were converted from HFC-134a back to CFC-12, to take advantage of an illegal trade estimated at 75 per cent of legitimate consumption.

VIET NAM: Around 80 per cent of CFC-12 imports into the country are illegal.

The role of transit countries in sustaining this illegal trade is also a matter of grave concern. Routes uncovered by EIA in the past reveal ODS moving through three or more countries before reaching the black market of the destination country. Two transit countries that continue to crop up in this illegal trade are Singapore and Dubai in the United Arab Emirates. A major part of illegal material seized in India had transited through Dubai and Singapore. More than 60 per cent of CFCs imported into Dubai are re-exported, both legally and illegally, to Africa, South Asia and other markets, effectively by-passing Montreal Protocol licensing systems.

As recognized when investigating smuggling in Europe, a proliferation of brokers is often indicative of illegal trade dealing in ODS. European brokers have recently been relocating to Dubai. *Contact: Ms. Nicky Stoupe, Environmental Investigation Agency, 69-85, Old Street, London EC1V 9HX, the United Kingdom. Tel: +44 (207) 3547 960; Fax: +44 (207) 3547 961.*