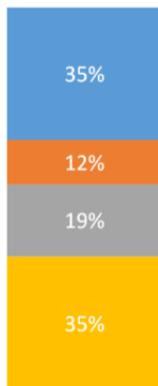


The money Italian users spend on cocaine gets split very roughly into thirds: about one-third remains in the hands of the retailers who sell directly to users, one third going to the higher-level dealers within Italy, and one-third flowing out of the country and to international traffickers

**retailers
 drug dealing
 profit
 Int'l traffic**

This finding draws on interviews with male drug dealers in prison in Italy. Respondents were asked to describe their cocaine dealing activities. One way in which the data from the interviews were analysed was to look at drug-dealing ‘cycles’ - the collection of activities that begins with purchase from a higher-level dealer and ends when the drugs have been disposed of (mostly by sale at lower market levels). Respondents’ descriptions of dealing cycles are consistent with fairly orderly dealing networks, with reasonably well-defined market levels. In Italy, a typical scenario among the interviewed dealers (which might not be typical of other dealers) was that a multi-kilo trafficker might purchase 5 to 10 kilograms (kg) for roughly €30,000 per kg and sell 0.5 to 1 kg packets to 10 wholesalers for €40,000 per kg. Each wholesaler then sells to 10 to 20 retailers in 50 gram packets. These retailers might pay €2,750 for their 50 gram purchase (or €55 per gram) and sell one gram at a time to users for €75 per gram.

Figure:
 Rough estimate of distribution of revenues across market levels for Italian Cocaine



■ Retailer ■ Wholesaler ■ Multi-kilo Trafficker ■ International Supply Chain

In our analysis we refined this picture, taking into account reported prices in the interview, to understand the distribution of revenues retained by market level. Under the scenario described above (as shown in the figure) there is a fairly even split between the revenue retained by retailers (around 35%); wholesalers and multi-kilo traffickers (31%) and the international traffickers (35%). Even though the lowest-level dealers collectively retain a similar share of the earnings as other market levels, retail sellers are so numerous that individually their earnings are far smaller than those earned at higher market levels.

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