

MEDIA RELEASE

TRACIT endorses trilateral statement against forced labor

Calls on US, Japan and EU to address demand for forced and child labor caused by illicit trade

- TRACIT endorses the Trilateral commitment to explore new policies and initiatives that contribute to the fight against forced labor in global supply chains.
- TRACIT reports that men, women, and children are forced to labor in illicit sectors, where they are exploited by organized criminal groups.
- TRACIT calls on governments to specifically address forced labor in illicit trade, improve data collection, and implement standing measures to combat illicit trade.

New York, October 18, 2022 – Today, the Transnational Alliance to Combat Illicit Trade (TRACIT) endorsed the Trilateral Statement by Trade and Labor Ministers of the United States, Japan and European Union to upgrade efforts to fight forced labor. The <u>ministerial statement</u> came in response to new global forced labor estimates from the International Labour Organization (ILO), Walk Free Foundation, and International Organization for Migration (IOM).

"We endorse the Ministers' commitment to explore new policies and initiatives that contribute to the fight against forced labor in global supply chains," said TRACIT Director-General Jeffrey Hardy. "And we agree that violations of fundamental labor rights — including forced labor — should never be used to gain an unfair competitive advantage in our global trading system."

In its letter to the Ministers, TRACIT emphasized that governments must address the use of forced labor in illicit markets and supply chains. TRACIT referenced its <u>flagship report</u> on the human cost of illicit trade, which shows how the rights of women, children and men across the globe are violated by illicit traders.

"The purpose of our report is to improve the understanding of where and how forced labor is abused in the operations of illicit supply networks," said Dr. Ulrika Bonnier, TRACIT's Director of Programs. "We hope that this work will serve as a first step to strengthen the ability to detect, disrupt, and dismantle illicit operations and, as a result of that, reduce the demand for forced labor."

TRACIT also pointed to a recent report by the United States Trade Representative, the 2021 Review of Notorious Markets for Counterfeiting and Piracy, which shares evidence indicating that the production of illicit counterfeit goods exists alongside widespread labor abuses, from substandard and unsafe working conditions to child labor and forced labor.

"The writing is on the wall," said Mr. Hardy. "If governments are going to achieve their objectives to end forced and child labor, then they must address the demand created by illicit trade and counterfeiting across multiple sectors."

In the letters to the Trade and Labor Ministers of the United States, Japan and the European Union, TRACIT called on Governments to:

 Account for the interconnected nature of forced labor and illicit trade so as to ensure that laws and regulations generally pertaining to preventing forced labor will specifically investigate and enforce against occurrences in illicit economic activity.

- Actively gather more and better data on the incidence of forced labor in illicit operations to improve the evidence-base for national and international policy-making and standard setting.
- Swiftly implement standing measures to stop illicit trade, thereby removing any associated demand for forced labor.

To learn more about the work that TRACIT is doing to combat forced labor in illicit trade, please visit <u>TRACIT</u>, for copies of letters sent to Ambassador Katherine Tai, United States Trade Representative, Secretary Marty Walsh, U.S. Department of Labor, Mr. Nishimura Yasutoshi, Minister of Economy, Trade and Industry of Japan, Mr. Kato Katsunobu, Minister of Health, Labor and Welfare of Japan, Mr. Valdis Dombrovskis, Executive Vice-President and Commissioner for Trade, European Commission, and Mr. Nicolas Schmit, Commissioner for Jobs and Social Rights, European Commission.

About TRACIT

The Transnational Alliance to Combat Illicit Trade (TRACIT) is an independent, private sector initiative to mitigate the economic and social damages of illicit trade by strengthening government enforcement mechanisms and mobilizing businesses across industry sectors most impacted by illicit trade.

Contact:

Cindy Braddon, Head of Communications and Public Policy, TRACIT

Tel: +1 571-365-6885 / cindy.braddon@TRACIT.org / http://www.tracit.org/ Twitter: @TRACIT_org