



MEDIA RELEASE

Transnational Alliance to Combat Illicit Trade Calls for a Comprehensive Global Approach to Stopping Oil and Fuel Theft

Geneva, Switzerland, 19 April 2018 – Today in Geneva, Switzerland, the Transnational Alliance to Combat Illicit Trade (TRACIT) urged governments and business to unite against the global problem of illicit petroleum trade.

“Illicit trade in oil and fuels is an emerging global threat that has largely remained unchecked and hidden from international attention,” said TRACIT Director-General Jeffrey Hardy. **“Every year, it is estimated that \$133 billion of fuels are illegally stolen, adulterated or defrauded from legitimate petroleum companies, with equally significant losses to governments through subsidy abuse and tax evasion.”**

Mr. Hardy joined some of world’s foremost experts on illicit upstream and downstream petroleum trade at the first global Oil and Fuel Theft conference held in Geneva, Switzerland, on 18-19 April. The speakers included an impressive list of experts, national oil companies, and government officials from Philippines, Uganda, Ghana, Lithuania, Hungary, Iraq, Libya and others.

“Fuel smuggling is a reality and deeply embedded in many economies worldwide,” said Hon. Dakila Cua, Chairman of the House Committee on Ways & Means in the Republic of Philippines. **“This is a vicious practice that deprives governments of precious revenues for investment in infrastructure and other public goods.”**

Participants discussed the severe negative effects from fuel theft on business, governments and the environment, as well as the need for new strategies and alliances to address this scourge. Technology solutions, such as fuel marking, are critical to reducing fuel fraud and minimize fuel-related tax evasion and subsidy abuse. But even these require collaboration between the private sector, governments and civil society.

In response, Mr. Hardy announced a new initiative to integrate oil and fuel theft into TRACIT’s cross sector approach to fighting illicit trade, and to press for more rationalized policy frameworks and interconnected enforcement.

“We will concentrate on the key governance bodies responsible for providing guidance, best practices and capacity-building to their member states,” said Mr. Hardy. **“More needs to be done**

to improve regulatory structures, set deterrent penalties, rationalize tax policies, strengthen capacity for more effective enforcement and educate consumers.”

TRACIT is an independent, private sector initiative that mobilizes businesses across industry sectors most impacted by illicit trade. TRACIT specifically addresses illicit trade in the petroleum sector and is mobilizing industry leaders across national borders to achieve results more effectively than any actor can accomplish alone. TRACIT’s engagement on combatting fuel fraud stems from the shared understanding that a united industry voice is required to track, report and stop fuel fraud – from extraction to production to distribution to consumers.

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