

MEDIA RELEASE

Asia Must Up its Game to Tackle Illegal Trade *Hong Kong ranks third in Asia Pacific*

Hong Kong, 7 June 2018 – Today, the Transnational Alliance to Combat Illicit Trade (TRACIT) and The Economist Intelligence Unit (EIU) released the Global Illicit Trade Environment Index (the Index), ranking 84 countries and territories on the extent they enable or prevent illicit trade.

“Illicit trade not only hurts consumers and takes revenue away from governments, it threatens the security of nations by supporting transnational criminal syndicates and terrorist groups, and closer collaboration between governments and the private sector is needed to fight it,” said Jeffrey Hardy, Director-General at TRACIT.

Hong Kong ranks third in Asia Pacific, just behind Australia due to the government’s progressive approach in policy making. “Hong Kong’s success can be attributed to the strength of its low tax policies and a transparent approach to counter IP infringement and drug trafficking,” said Mr. Hardy. “Hong Kong can advance further if it can more effectively address challenges with money laundering and improve enforcement against smuggling at its land border crossings with China.”

Singapore, another major trading hub ranks 6th in Asia Pacific, largely because of poor governance over its free trade zones. “An advanced economy such as Singapore has a responsibility for domestic and regional security, so it needs to stop treating illicit trade in isolation and step up its enforcement authority to inspect goods in transit,” Mr. Hardy explained.

Australia is in a virtual tie for first with New Zealand in Asia Pacific with its good policy making and an open and collaborative approach to tackle illicit trade. “The Australian government’s strong political will to fight illicit trade should serve as best practice for its regional and global counterparts,” Mr. Hardy noted.

For Asia Pacific, TRACIT has short-listed four key recommendations:

- Strengthen FTZ governance in the region to tackle serious illicit trade flows, especially in key trading hubs like Singapore.
- Develop a comprehensive regional strategy – calling upon organizations such as the Association of Southeast Asian Nations (ASEAN) and Asia Pacific Economic Cooperation (APEC) to drive multilateral actions.
- Strengthen national interagency collaboration, particularly law enforcement and customs, to elevate urgency of the problem and allocate necessary resources to tackle illicit trade.
- Engage and leverage upon the private sector to safeguard supply chain integrity, share intelligence and improve risk assessments.

“Transnational crimes are not bound by borders. This is why the Index is launched today simultaneously in Hong Kong, Brussels and Panama City to raise global awareness of this very important challenge we face globally. Governments and intergovernmental organizations need to up their game and close loopholes which pose serious threats to the region’s security,” concluded Mr. Hardy.

All reports and information can be found here: www.tracit.org/publications_gitei

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