



MEDIA RELEASE

Transnational Alliance to Combat Illicit Trade Calls for Stronger Controls on Oil and Fuel Theft in Hungary

Budapest, 23 January 2019 – Today in Budapest, the Transnational Alliance to Combat Illicit Trade (TRACIT) addressed the problem of illicit trade in petroleum and fuels and presented policy recommendations to industry and government officials participating in a roundtable session hosted by the U.S. Commercial Services Office in Hungary.

“Illicit trade in oil and fuels is an emerging global threat that has largely remained unchecked and hidden from international attention,” said TRACIT Deputy Director-General Stefano Betti. **“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. Betti addressed the problem of illicit trade in fuels in Hungary and shared a set of policy recommendations, including: Rationalize tax policies; Increase public education and awareness; Promote technological solutions, such as fuel-marking; Leverage business’ data and knowledge; Step up enforcement action.

“Fuel smuggling is an illegal practice that deprives governments of precious revenues for investment in infrastructure and other public goods,” said Mr. Betti. “Technology solutions, such as fuel marking, can be effective in reducing fuel fraud and minimizing fuel-related tax evasion and subsidy abuse. But even these require collaboration between the private sector, governments and civil society.”

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.

Mr. Betti also presented findings from the 2018 Global Illicit Trade Environment Index, which was commissioned by TRACIT and produced by the Economist Intelligence Unit (EIU). The Index evaluates 84 countries on their structural capability to effectively address illicit trade. The Index ranked Hungary 31st globally and 20th among 34 other European countries in the region. All documents can be found: https://www.tracit.org/publications_gitei.html.

About TRACIT – The Transnational Alliance to Combat Illicit Trade ([TRACIT](https://www.tracit.org)) is an independent, private sector initiative to drive change 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.

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