

Costa Rica Shown Vulnerable to Illicit Trade

San Jose, Costa Rica, 16 August 2018 – The Transnational Alliance to Combat Illicit Trade (TRACIT) addressed government officials and industry stakeholders during a conference on illicit trade, hosted by the Costa Rican-American Chamber of Commerce (AmCham). The conference featured a presentation by the Economist Intelligence Unit (EIU) on the Global Illicit Trade Environment Index. Commissioned by TRACIT, the Index ranks Costa Rica 46th of 84 countries evaluated on the extent they enable or prevent illicit trade.

“The Global Index shows that Costa Rica has taken some important steps to fight illicit trade,” said TRACIT Director-General Jeffrey Hardy. **“But the country is vulnerable to illicit trade and more focus needs to be put on enforcing anti-illicit trade regulations, especially in the areas of Intellectual Property Rights violations, untaxed and unregulated parallel (grey) market imports, illicit trade in tobacco and alcohol, and stopping the inflow of illicit products from Free Trade Zones in the region.”**

The event also featured the participation by Gerardo Lizano, AmCham’s representative to the Comisión Mixta de Lucha Contra el Comercio Ilícito, which was created to coordinate government efforts to fight illicit trade and intensify partnership with the private sector.

“Establishment of the Comisión Mixta is crucial to Costa Rica’s fight against illicit trade,” said Mr. Lizano. **Businesses here are prepared to partner with our government and share our investigative resources, data, and forensic capabilities.”**

“When it comes to illicit trade, it’s not a problem of a particular sector. Businesses, economy and public health are all impacted and society loses as a whole,” said Mr. Nogui Acosta, Vice Minister of Income for the Costa Rican Ministry of Finance. **“This study helps us understand where we stand, the local and global context, what is happening in Costa Rica and how we compare with other countries, giving us the opportunity to improve”**

The Index evaluates countries on their structural capability to effectively protect against illicit trade, highlighting specific strengths and weaknesses across 25 policy, legal, regulatory, economic, trade, institutional and cultural indicators.

“The findings are intended to help policy makers better understand the regulatory environment and economic circumstances that enable illicit trade,” said Irene Mia, Global Editorial Director of the Economist Intelligence Unit. **“It can help governments identify areas that merit greater attention and formulate strategies to address the serious threats posed by illicit trade.”**

To encourage an effective policy response to illicit trade, Mr. Hardy presented a set of policy recommendations tailored for Costa Rica. These included, among others:

- Strengthen the enforcement capabilities of the Comisión Mixta
- Intensify public-private coordination
- Take strong and proactive measures to protect Costa Rica from illicit goods transiting through FTZs
- Strengthen criminal penalties
- Increase the efficiency of customs procedures
- Strengthen IPR enforcement
- Tackle pervasive corrupt practices
- Pursue law enforcement and customs cooperation within Latin America

“This report is a diagnosis of our weaknesses and strengths, and one weakness is the link to organized crime and even terrorism,” said Alberto Arguedas, Executive Director of AmCham Costa Rica. “We hope the findings from the Global Index can help policy makers better understand the regulatory environment and economic circumstances that enable illicit trade – and take steps to improve Costa Rica’s defense against the import of illicit products.”

Mr. Acosta added, “I’m here at AmCham today because private sector cooperation is essential to our success in fighting illicit trade.”

All documents can be found: https://www.tracit.org/publications_gitei.html.

About TRACIT

The Transnational Alliance to Combat Illicit Trade ([TRACIT](#)) 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. TRACIT draws from industry strengths and market experience to build habits of cooperation between business, government and the diverse group of countries that have limited capacities for regulatory enforcement. Connecting and mobilizing businesses across industries, sectors and national borders makes it possible to achieve results more effectively than any single actor can accomplish alone.

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