

UAE Shows Progress in the Fight Against Illicit Trade But Still Needs to Step Up Control of Free Trade Zones

Abu Dhabi, 20 November 2018 – The Transnational Alliance to Combat Illicit Trade (TRACIT) called for the United Arab Emirates (UAE) to demonstrate leadership in the region’s efforts to fight illicit trade, during a conference hosted by GTDW Anti-Illicit Trade Summit in Abu Dhabi. Government officials and industry stakeholders gathered to discuss the country’s vulnerabilities to illicit trade and put forward solutions.

“The UAE has taken many positive steps to fight illicit trade,” said TRACIT Director-General Jeffrey Hardy during his presentation. **“But persisting vulnerabilities in the country’s Free Trade Zones—including Jebel Ali, the world’s 9th the world’s ninth busiest container port—undermine achievements to date.”**

Mr. Hardy shared a targeted set of policy recommendations related to the featured presentation of the 2018 Global Illicit Trade Environment Index, which was produced by the Economist Intelligence Unit (EIU) and evaluates 84 countries on their structural capability to effectively address illicit trade. The Index ranked UAE ranks 34th globally and 2nd among nine other Middle East and African countries in the region, with an overall score of 68 (out of 100).

“I’m not surprised that UAE has scored in the top third of our global rankings,” stated Mr. Hardy. **“The country has demonstrated its commitment to wiping out corruption, standing up against money laundering and strengthening laws to fight against counterfeiting and other forms of IP Theft.”**

However, given UAE’s significant position as a global trade hub, Mr. Hardy called for greater attention to strengthening inter-agency co-operation within the Emirates; improving Customs oversight of and in free trade zones (FTZs); requiring more robust information being provided on operators and their operations in FTZs; and rationalizing tax policies and subsidies so they do not incentivize illicit trade.

“Strengthening cooperation with neighboring countries and working with international organizations like INTERPOL can rapidly improve UAE’s ability to defend against illicit trade,” said Mr. Hardy.

“Similarly, the government can shift public perception and understanding of the negative impacts of illicit trade by improving public awareness and education.”

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 in UAE identify areas that merit greater attention and to jump start the process of implementing strategies to address the serious threats posed by illicit trade. 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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