

TRACIT Warns COVID-19 Supply Restrictions Compound Demand for Illicit Alcohol, Exacerbate Health Problems

New York, 29 April 2020 – The Transnational Alliance to Combat Illicit Trade (TRACIT) issued an *Illicit Alcohol Market Alert* today, warning governments that COVID-19 related prohibitions on alcoholic beverages drive markets for illicit alcohol, present dangerous risks to consumers, encourage criminality and sideline legal jobs and growth.

“Certainly, we understand the critical importance of social distancing,” said TRACIT Director-General Jeffrey Hardy. **“But it’s a step too far when governments restrict alcohol sales in supermarkets and off-license outlets, let alone home delivery, order-and-collect / grab-and-go, and e-commerce websites.”**

The organization, known for mitigating illicit trade across industry sectors worldwide regularly opposes market forces or policy measures that increase the supply and demand for illicit products.

“We’re working against illicit trade 24/7, and prohibition measures from government leaders are counterproductive to our efforts to hold back markets for illicit alcohol,” said Mr. Hardy. **“Frankly, prohibitions are the last thing we need during the crisis, when health care systems are under strain, businesses are struggling to stay above water and unemployment is swelling.”**

The TRACIT Alert and an associated Situational Report reveal that several countries have introduced prohibition laws, including Panama, Mexico, Dominican Republic, Australia, India, Botswana, South Africa and Thailand. During this time of crisis, overly restrictive access to legitimate beverages can drive consumers to illicit and counterfeit alcohol supplied by criminals and unscrupulous illicit traders. TRACIT also reports the following unintended consequences of prohibition measures that are too strict:

- COVID-19 restrictions spike demand for Illicit alcohol and create significant, unintended health risks.
- Emergency restrictions sideline legitimate industry and jeopardize long-term employment and growth.
- Upsurges in illicit alcohol reduce public revenues, now vital to address COVID-19 emergencies.
- Crisis-driven prohibition laws open windows for criminal activity.

TRACIT reports that Sri Lanka, Zimbabwe and Tahiti have reversed COVID-19 related prohibition laws, in the face of unintended impacts on consumers and local industry.

“We’re pleased that these countries have quickly understood the negative impacts and unintended consequences of prohibition laws, and have reversed them,” said Senior Policy Analyst Esteban Giudici while interviewed by [Agencia EFE](#). **“And we’re asking the others to remove bans on the production, distribution and consumption of alcoholic beverages. There’s plenty of evidence that these measures are counterproductive. Associated deaths have already been reported in Mexico and the Dominican Republic, and several Indian States are calling for a reversal because excise tax losses are just too high.”**

In its Situational Briefing, TRACIT called for immediate action by governments, Industry/private sectors and Internet platforms:

GOVERNMENTS

- Wherever such prohibition laws remain—Panama, Mexico, Australia, India, Botswana, South Africa and Thailand—TRACIT calls on these governments to remove bans on the production, distribution and consumption of alcoholic beverages.
- Ensure availability and access to legitimate products in conformity with social-distancing rules, including the ability to purchase alcohol in supermarkets and off-license outlets as well as through home delivery, carry-out, and e-commerce.
- As governments relax social distancing measures, they should lift remaining on-premise restrictions on alcohol to mitigate long-term economic disruption.
- Follow the approach of countries that include alcoholic beverages among essential goods, responding to consumer demand and supporting the legitimate economy.

INDUSTRY / PRIVATE SECTOR

- Lead and support anti illicit alcohol campaigns to protect public health, government revenue and support the legitimate value chain.
- Fully respect social distancing protocols across the entire supply chain (manufacturing, distribution and sale).
- Ensure responsible service of alcohol and provide responsible-consumption information to adult consumers.
- Use existing operations to develop, donate and distribute essential resources (e.g., sanitizers) needed to fight the pandemic.

INTERNET PLATFORMS

- Review current content posted to your websites and remove illegal postings for the sales and/or transfer of illicit alcohol products.
- Educate users that bad actors may exploit the digital platforms for the sale of counterfeit, mislabelled and fraudulent products that could pose health risks.

For more information

The TRACIT statement on Illicit Trade in context of COVID-19 Product Fraud along with other resources can be found here: <https://www.tracit.org/covid-19.html>

About TRACIT

The Transnational Alliance to Combat Illicit Trade ([TRACIT](#)) is an independent, private sector initiative to mitigate the economic and social damages of illicit trade by strengthening government enforcement mechanisms and mobilizing businesses across sectors most impacted by illicit trade.

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