

Tunisia and Neighbors in North Africa Must Crack Down on Illicit Trade

Transnational Alliance to Combat Illicit Trade Calls for Tunisia to Enforce its Laws

Tunis, Africa, 25 October 2018 – Today, the Transnational Alliance to Combat Illicit Trade (TRACIT) urged Tunisia to work with the private sector to develop a comprehensive and effective anti-illicit trade program to curb illicit goods that harm legitimate businesses, workers, consumers and governments. TRACIT issued a set of policy recommendations for Tunisia during a special event hosted by American Chamber of Commerce Tunisia (AmCham Tunisia).

To strengthen the fight against illicit trade, TRACIT commissioned The Economist Intelligence Unit (EIU) to produce the Global Illicit Trade Environment Index (the Index) ranking 84 countries on the extent to which they enable or prevent illicit trade. Tunisia ranks 53 out of 84 on the Index.

“Tunisia’s low score is primarily due to a persistent informal sector driven by major price and tax differentials with its neighboring countries, systemic corruption, a lack of legal job opportunities in the formal market and porous borders,” said Stefano Betti, Deputy Director-General of TRACIT. **“At the same time, we note the efforts undertaken by the authorities over the past few years, for example by enacting laws on illicit enrichment and strengthening protection for whistle-blowers in corruption cases.”**

The Index provides policy makers with vital evidence to upgrade local regulations and stop the surge in illicit trade that is flooding North Africa and drowning out economic development opportunities.

“All countries in the region are challenged to protect their economies from illicit trade,” reported Mr. Betti. **“In addition to Tunisia, we see that Algeria is ranked 58, Morocco is 65 and Libya holds the lowest ranking on the Index at 84.”**

Tunisia will continue to struggle with illicit trade until the root causes are targeted and abated. Specific recommendations addressed to Tunisia include, among others:

- Strengthen cooperation with neighboring countries to address informal cross-border trade, smuggling and alignment of tax and subsidy policies.
- Tighten controls on money laundering.
- Rationalize tax policies and subsidies to ensure that they do not incentivize illicit trade, smuggling, adulteration and theft.
- Strengthen IPR enforcement, including stricter penalties for counterfeiting.

“We hope the findings can help policy makers better to understand the regulatory environment and economic circumstances that enable illicit trade – and take steps to improve Tunisia’s defense against the import of illicit products,” said Mr. Adel Chaabane, AmCham Tunisia Board Member and Partner at Mazars.

The TRACIT Tunisia country report and policy recommendations can be found [here](#).

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.

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