TRANSNATIONAL ALLIANCE TO COMBAT ILLICIT TRADE
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# Official Launch

# TRACIT REPORT
## The link between illicit trade and sovereign credit ratings

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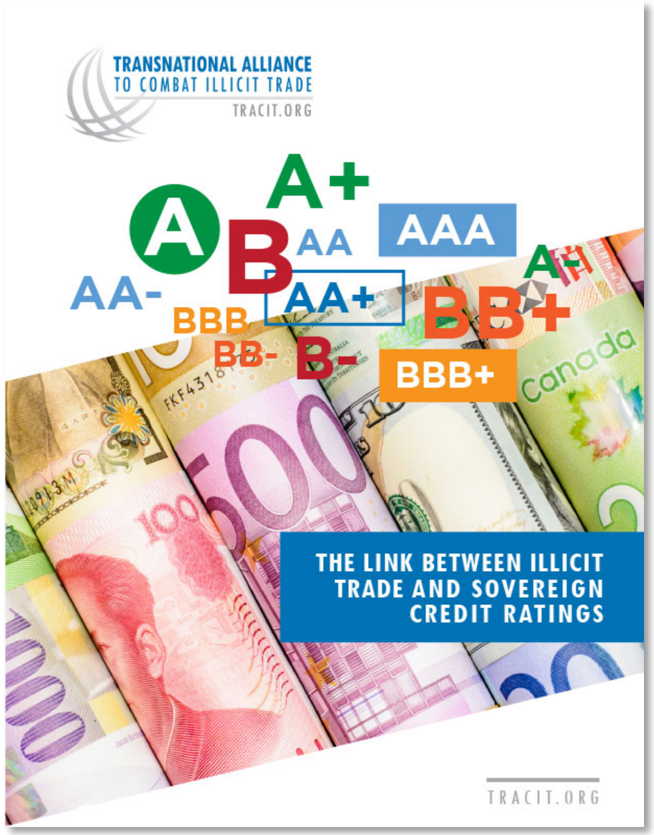
TRANSNATIONAL ALLIANCE TO COMBAT ILLICIT TRADE

# Overview

1. Genesis of the report
2. Methodology
3. Presentation of the correlations between vulnerability to illicit trade and credit ratings



# Genesis of the report


# Critical factors to attract investment

**Institutional Framework**

**Political Stability**

**Financial Strength**

**Integrity**

**Strong Governance**

**Accountability**

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**Illicit Trade**

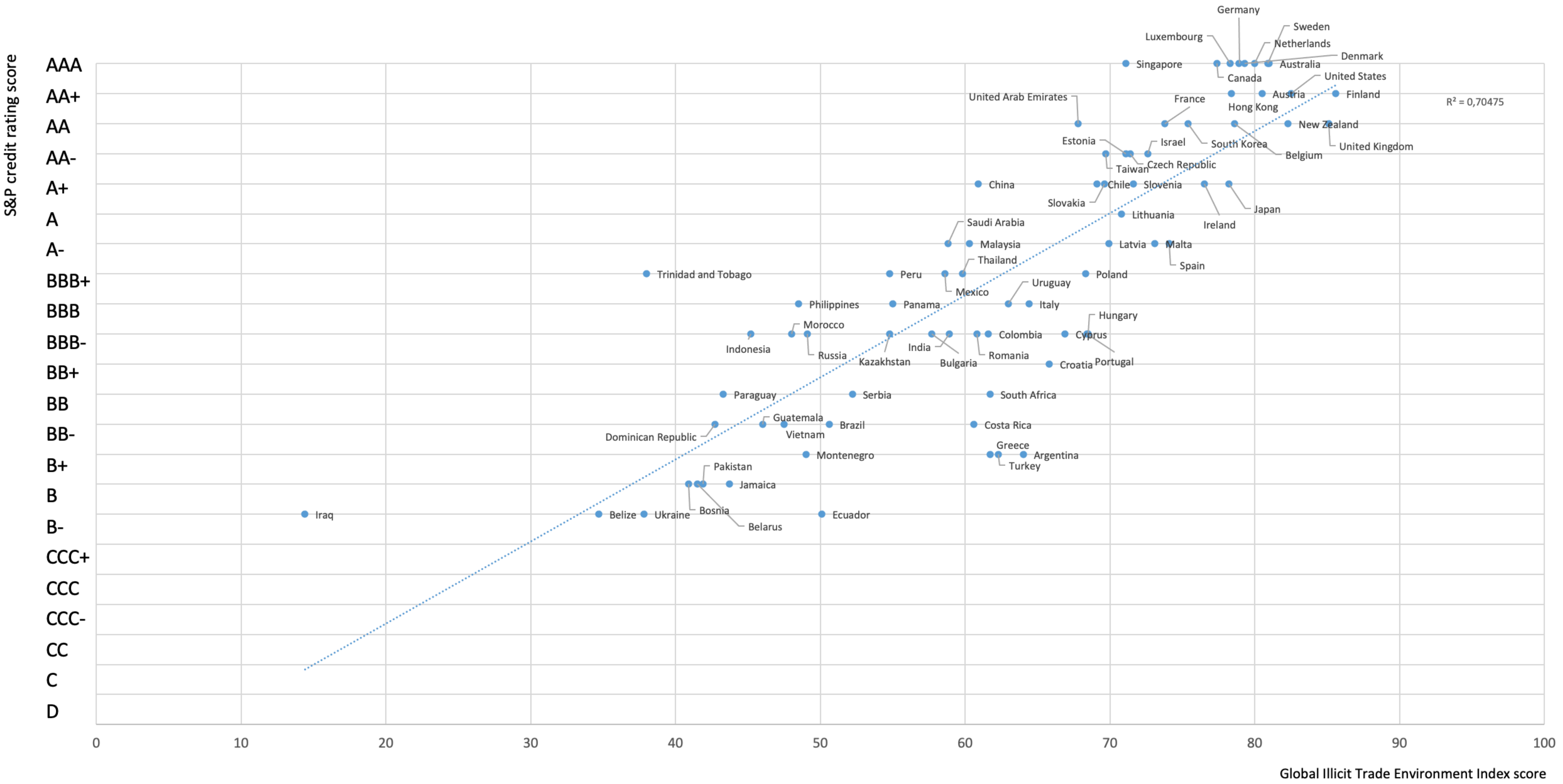
# Methodology

S&P Global Ratings

Moody's

Fitch Ratings

# Findings: GITEI and S&P



# Findings: GITEI and Moody's

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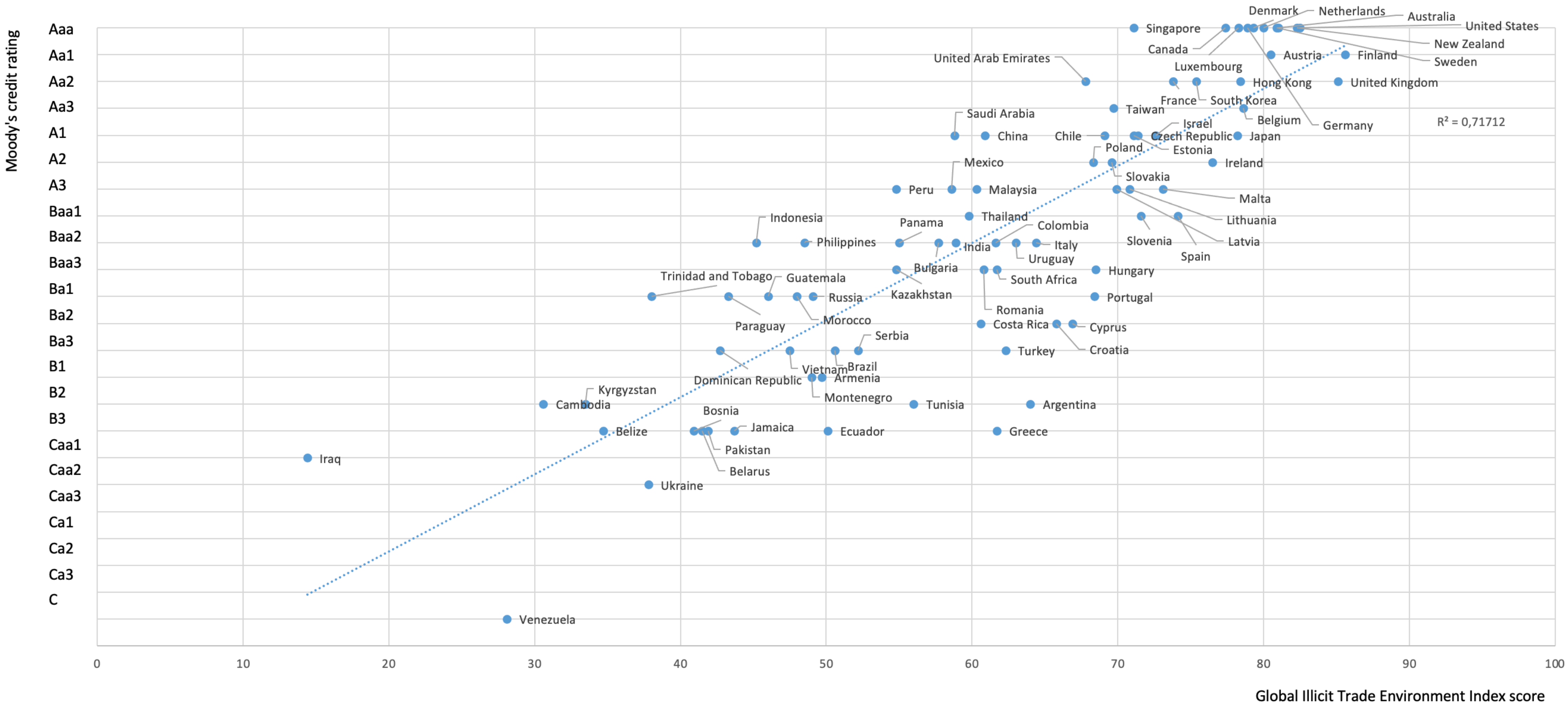
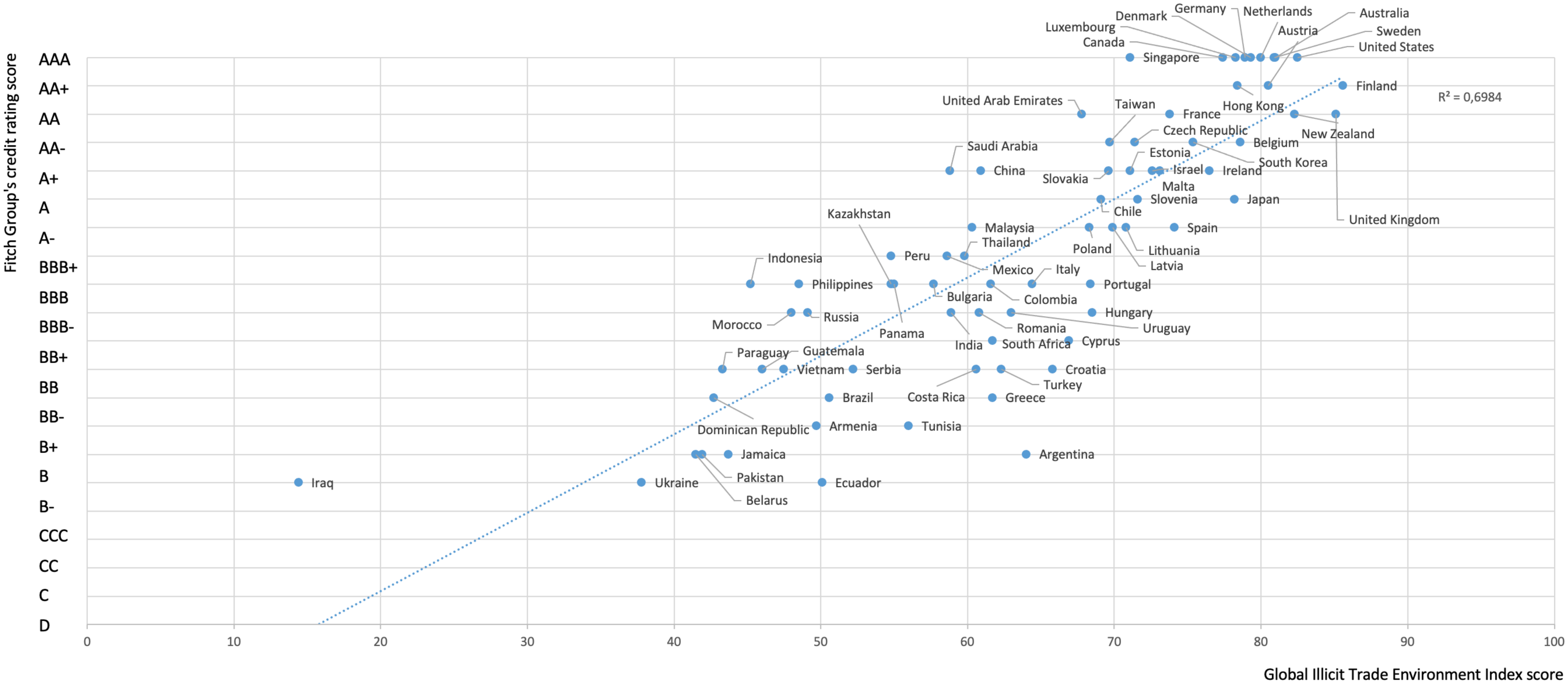


# Findings: GITEI and Fitch



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# Key findings

- Countries with inadequate regulatory environments and weak institutions making them particularly unprepared to face illicit trade, also had low credit rating scores.
- Countries with high scores on capacity to fight illicit trade also had the highest credit ratings.
- Correcting regulatory and economic circumstances that enable illicit trade can improve sovereign credit ratings, thereby reducing the cost of borrowing and enabling governments to raise capital in the international financial market, stimulating long term investment and growth.

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