

Myanmar at Bottom of Global Index on Illicit Trade

Nay Pyi Taw, Myanmar, 5 September 2018 – The Transnational Alliance to Combat Illicit Trade (TRACIT) called for Myanmar to urgently step up efforts to fight illicit trade, during a conference hosted by EuroCham Myanmar. Government officials and industry stakeholders gathered to discuss the country’s vulnerabilities to illicit trade—and to identify solutions to improve a situation that has been enabled by weak governance, archaic laws, pervasive corruption and ineffective border controls.

“Myanmar’s structural capability to effectively address illicit trade has not been good. And this is evidenced in its very low score in the 2018 Global Illicit Trade Environment Index,” said TRACIT Director-General Jeffrey Hardy following his presentation of the Index.

The Index was produced by the Economist Intelligence Unit (EIU) and evaluates 84 countries on the extent they enable or prevent illicit trade. Myanmar ranks 82nd out of 84 countries evaluated, with an overall score of 23.0 (out of 100).

“This means that—apart from Iraq and Libya—Myanmar shows the poorest structural defense against illicit trade,” said Mr. Hardy. **“It also means we have a lot of work to do here, especially in the areas of illegal logging and mining, wildlife and human trafficking, spirits, beer and cigarette smuggling, and counterfeiting of all types of consumer goods.”**

EuroCham Myanmar has recently established an Anti-Illicit Trade Advisory Group to fight illicit trade and intensify partnership with the Government of Myanmar. **“Businesses here are prepared to partner with our government and share our investigative resources, data, and expertise,”** said Ms. Khine Wai Thwe, Co-chair of the Advisory Group.

The one-day conference was held in Myanmar’s national capital of Nay Pyi Taw and featured significant participation by government officials from the Anti-corruption Commission, Ministry of Commerce, Ministry of Finance, Department of Customs, Department of Internal Revenue and Department of Consumer Affairs.

“We’re trying to solve illicit trade in all possible ways,” reported U Ko Lay, Director of the Ministry of Commerce. **“But we need law and order first and that will pave the way for legal trade.”**

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 Myanmar identify areas that merit greater attention and to jump start the process of implementing 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 Myanmar. These included:

- Work more closely with neighboring trade partners to address the immediate cross-border illicit trade issues
- Engage more deeply with ASEAN
- Improve interagency cooperation within Myanmar national government
- Normalize the importation of foreign spirits and rationalize tax policies and subsidies to ensure that they do not incentivize illicit trade
- Strengthen IPR enforcement to stop counterfeiting, including increasing criminal penalties and the effectiveness of customs procedures
- Take strong and proactive measures to protect FTZs from illicit traders

- Intensify public awareness on the threat and harms of illicit trade
- Initiate partnerships to leverage the strengths of the private sector

“This forum provided a diagnosis of Myanmar’s weaknesses and strengths,” stated Filip Lauwerysen, Executive Director of EuroCham Myanmar. “We have a roadmap of priorities, we have commitments from the private sector and today we heard government officials express their political will. Also, as Secretary General of all European Chambers, I can say we look forward to continued collaboration with TRACIT as we take the important next steps to fight illicit trade in Myanmar and around the world.”

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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