

Global Wave of Illicit Alcohol Drowns Out Development and Economic Growth

A new report from Euromonitor International shows 25.8 percent of the total volume of alcohol consumed in countries studied is illicit

National Press Club, Washington DC, 5 November 2018 – Today, the Transnational Alliance to Combat Illicit Trade (TRACIT) promoted a newly published report from Euromonitor International that sheds new light on the size and shape of the illicit market for alcohol. The multi-region report compiles findings from 24 countries in Africa, Eastern Europe and Latin America. Results show that approximately 26 percent of total alcohol consumption in these markets is illicit. In addition to revealing the size and shape of this global illicit market, the study delineates the market circumstances that have enabled illegal market growth and associated consumer, development and security risks.

“This study confirms that illicit trade in alcohol is a widespread problem that must be addressed by policy makers worldwide,” said Jeffrey Hardy, Director-General of TRACIT. **“These illicit, illegal, fake or unrecorded products present real and present health risks to consumers, stand in the way of sustainable development and strip governments of critical tax revenues needed to invest in public services and infrastructure.”**

According to the Euromonitor report, the fiscal loss to governments in these countries is as much US\$ 3.6 billion every year. These findings correspond to a 2016 report by the EU Intellectual Property Office that estimated counterfeit spirits and wine drain €1.2 billion (US\$1.4 billion) in government revenues in Europe, of which €739 million (US\$843 million) are excise duties.

“If we look at just the Latin and South American countries in the report, we see that this region scores below the global average of countries ranked by the Global Illicit Trade Environment Index,” said Mr. Hardy. **“These alarming consequences are especially evident in developing countries hard-pressed to monetize resources, commercialize innovation, attract investment, establish lasting job opportunities, and achieve sustainable development goals,”** said Mr. Hardy.

During the conference, panelists addressed policy challenges, including the need for ministries of finance and national tax authorities to develop more effective and efficient tax systems and to combat tax evasion resulting from illicit trade.

The Euromonitor Report and related materials can be found [here](#). The Global Illicit Trade Environment Index 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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