



MEDIA RELEASE

TRACIT issues Market Alert on the increase of illicit alcohol in Colombia as consequence of the Covid-19 dry laws

TRACIT calls on Colombian government to repeal measures restricting the legal alcohol market

New York, 19 June 2020 – The Transnational Alliance to Combat Illicit Trade (TRACIT) issued a statement today, flagging the negative effects of the Colombian Government’s Decree banning the consumption of alcoholic beverages in public places. The organization, known for mitigating illicit trade across industry sectors worldwide, cautions that the negative effects of COVID-19 related dry laws create markets for illicit trade and have significant negative impacts on public health and excise tax revenues.

In its statement, TRACIT reports that the artificial shortage in legitimate product supply caused by the government-imposed dry laws, combined with an alarming rise in the use of e-commerce and other online platforms to commercialize illicit alcohol, have driven the commercialization and distribution of illicit alcoholic beverages.

“Colombia’s dry laws promote the development of a parallel illicit market, represent immense tax losses and present significant risks to consumer health,” said TRACIT Director-General Jeffrey Hardy. **“Prohibition measures are counterproductive to our efforts to hold back illicit alcohol and 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 statement points out that COVID-19 related alcohol prohibitions have been rare, and in the most cases they were swiftly repealed in the face of rapidly growing markets for illicit trade, toxic alcohol poisoning and tax losses.

“We’ve already witnessed more than 100 deaths in Mexico related to prohibition upsurges in toxic, illicit alcohol, and the Indian government has pulled back prohibitions in response to the rapid decline in tax revenues exactly at a time when public resources are needed most,” said Hardy.

TRACIT called for immediate action by the Colombian Government to repeal all measures that ban or prohibit the consumption of legal alcoholic beverages and to ensure availability and access to legitimate products. It also called on Internet platforms to be more vigilant in preventing and removing offers for illicit alcohol products and to educate consumers that bad actors may exploit digital platforms for the sale of counterfeit, mislabeled and fraudulent products that could pose health risks.

“We do not agree that prohibition is an effective public health measure, because of the stimulus it gives to illicit trade and the negative impacts on consumer health. But we do look forward to working with Colombia over the long run to fight illicit trade in alcohol, including measures to control the production and distribution of alcohol not meant for human consumption.”

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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_alcohol.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 industry sectors most impacted by illicit trade.

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