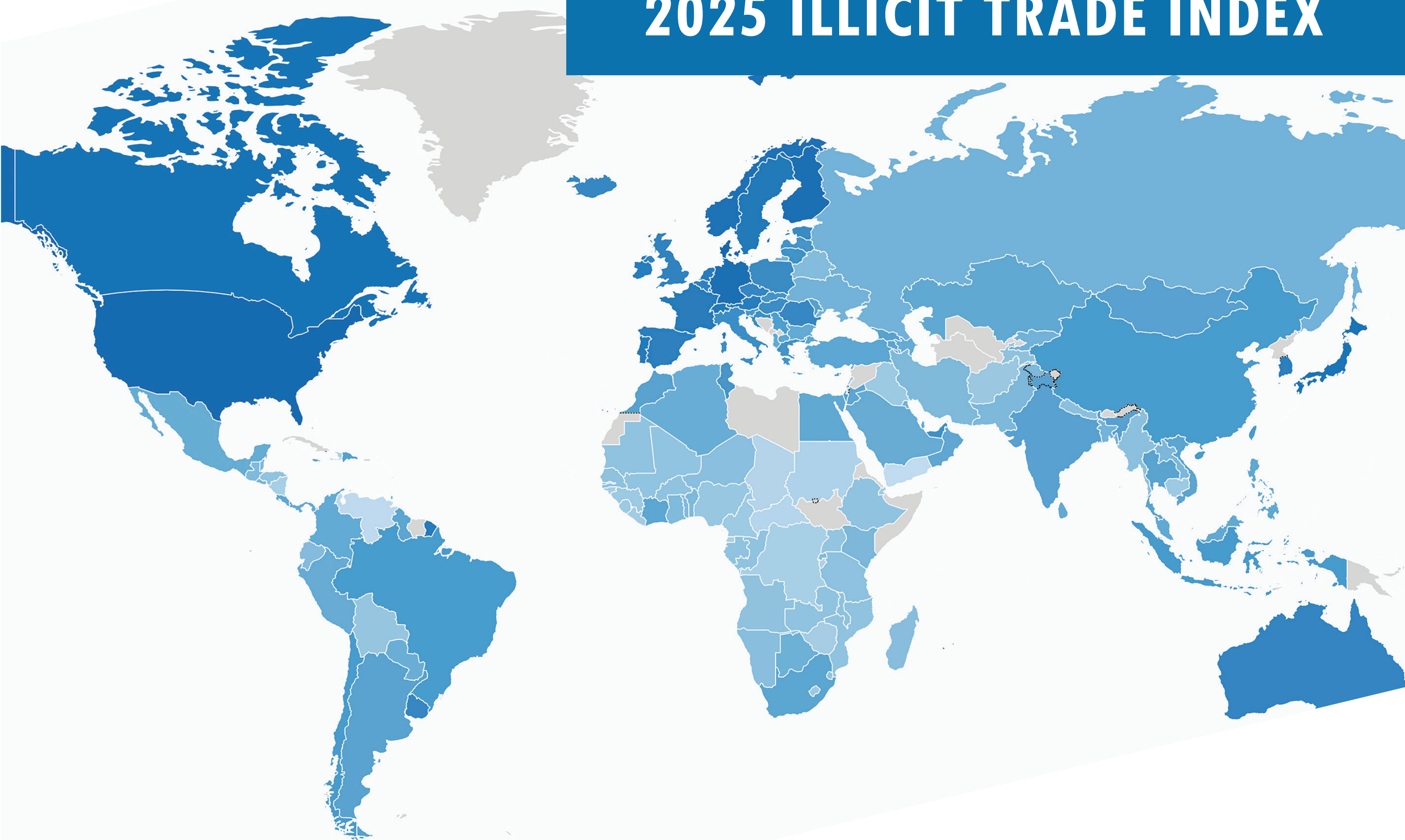
TRANSNATIONAL ALLIANCE
TO COMBAT ILLICIT TRADE
TRACIT.ORG

EXECUTIVE SUMMARY

2025 ILLICIT TRADE INDEX



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.
For more information, visit www.TRACIT.org

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The consequences of illicit trade are far-reaching, posing serious public health risks, economic losses, and security threats. Toxic illicit alcohol has led to fatal poisonings, while harmful substandard and falsified medicines continue to circulate through illicit supply chains. Banned and unregistered illicit pesticides continue to destroy crop yield and threaten food safety and security. Counterfeit electronics and other illicit goods have flooded e-commerce platforms. Even everyday consumer goods, including personal care and food products, are increasingly subject to fraud, underscoring the widespread impact of illicit trade on safety and well-being.

These instances bring considerable negative repercussions to security, prosperity, development, consumer health and human rights—to all nations, worldwide, without exception.

Despite numerous efforts and strong incentives to combat illicit trade, progress remains slow and uneven. The OECD, for example, reports that the international trade in counterfeits doggedly stays above USD 460 billion, year after year.[3]

This is largely because the global, poly-criminal, cross-sector nature of illicit trade complicates government's ability to identify and enforce meaningful remedies.

For starters, the complexity of supply chains and the movement of goods across multiple jurisdictions create numerous entry points for illicit goods and complicates the question of where to apply controls, whom to hold responsible and even which country's laws apply. The lack of cross-border information sharing and collaboration, combined with differing local priorities and inconsistencies in approach give criminals significant leeway to evade enforcement.

Digital and decentralized trade networks are expanding rapidly, challenging governments to keep pace. Weak enforcement, the absence of robust liability regimes, and gaps in legislation have allowed illicit trade to flourish online.

Furthermore, governments have not fully accounted for the level of lawlessness, the agility of organized criminal networks and the threat to security posed by illicit trade. Transnational criminal organizations are leveraging advanced technologies such as artificial intelligence, encrypted communications, and blockchain-based financial transactions to evade detection and enforcement efforts, making it even more difficult for governments to track and dismantle illicit supply chains.

Key findings from TRACIT's 2025 Illicit Trade Index

TRACIT's 2025 Illicit Trade Index serves as a useful policy tool, equipping governments, policymakers, and enforcement agencies with actionable insights to combat illicit trade more effectively.

Covering 158 countries—from emerging markets to advanced economies, the *Index* identifies vulnerabilities, strengths, and trends within national systems. By leveraging data-driven analysis and practical recommendations, it aims to strengthen policies, enhance enforcement, and promote international collaboration.

[3] OECD/EUIPO (2021), *Global Trade in Fakes: A Worrying Threat, Illicit Trade,* OECD Publishing, Paris, https://doi.org/10.1787/74c81154-en.

To provide a comprehensive assessment of resilience against illicit trade, the *Index* evaluates countries across six key categories and 37 indicators. This structured approach enables policymakers to analyze, compare, and contrast a range of data points across countries, regions, and continents, offering a clear and in-depth understanding of illicit trade risks and countermeasures.

The findings present a stark reality: illicit trade is a widespread and persistent challenge, affecting both developed and developing nations alike. While some countries demonstrate relative strength in regulatory frameworks and enforcement, systemic vulnerabilities remain prevalent across the globe.

Perhaps the most revealing insight from the *Index* is the consistently low scores across the board, signaling that most governments are not well prepared to prevent or address illicit trade. Even the best performing countries show considerable room for improvement.

→ *The average score among the 158 countries is 49.9 / 100, and no country received a total score above 76. The range of scores is highest at 76 for the top performer Denmark and lowest at 25.7 for Yemen.*

Overall, the top 10 list of countries with the highest scores is dominated by G20, OECD and EU countries. This can be explained by a combination of factors, including the fact that GDP per capita in these countries is typically high, which would in principle enable them to invest relatively more resources to address illicit trade. They also typically feature robust regulatory regimes and mature conditions for rule of law.

→ *The top 10 performers are led by Denmark with a score of 76, closely followed by the United States (75.4), Germany (73.5), Finland (73.3), Norway (72.4), Canada (71.3), Japan (70.9), Luxembourg (70.3), Switzerland (69.9), and Sweden (69.9). All of them are advanced economies with strong institutional frameworks.*

The bottom 10 countries are found scattered geographically, with 6 in Africa. The bottom—and overall low-scoring—countries uniformly struggle with weak regulatory frameworks, inadequate border and customs controls, and, most critically, poor supply chain oversight, all of which create fertile ground for illicit trade networks. These circumstances underscore deep-rooted challenges in governance, enforcement, and economic management.

→ *The bottom 10 performers – from the lowest scored – are Yemen (25.7), Venezuela (27.1), Central African Republic (29.7), Chad (30.3), Sudan (31.3), Burundi (31.5), Haiti (32.2), Equatorial Guinea (32.6), the Democratic Republic of the Congo (33.1), and Nicaragua (33.3).*

A defining characteristic of the lowest-performing countries in the *Index* is their exposure to conflict and instability. In these regions, illicit trade thrives amid weak governance, disrupted law enforcement, and fragile institutions, allowing criminal networks to operate with impunity. The *Index* reflects this trend, with many conflict-affected nations ranking among the worst performers. Countries such as Yemen, the Central African Republic, Chad, Sudan, the Democratic Republic of the Congo, and Haiti struggle with porous borders, ineffective regulatory frameworks, and high levels of criminal enablers—making them key hubs for smuggling, counterfeiting, and illicit financial flows. These conditions further deepen economic and social instability.

A population perspective

While conflict-affected states face extreme vulnerabilities, the *Index* reveals that most of the world's population lives in countries with only moderate resilience to illicit trade. For example, if population distribution is compared to *Index* scoring, only 350 million people, or 4% of the world's population, live in countries that score in the top quartile of the *Index*.

Index Rank	Country
1	Denmark
2	United States
3	Germany
4	Finland
5	Norway
6	Canada
7	Japan
8	Luxembourg
9	Switzerland
10	Sweden
11	Portugal
12	France
13	Ireland
14	Netherlands
15	Austria
16	Spain
17	Korea, Rep.
18	United Kingdom
19	Belgium
20	Australia
21	Czech Republic
22	Uruguay
23	Romania
24	Iceland
25	New Zealand
26	Estonia
27	Poland
28	Hungary
29	Singapore
30	Italy
31	Croatia
32	United Arab Emirates
33	Lithuania
34	Greece
35	Latvia
36	Slovakia
37	Tunisia
38	Slovenia
39	Indonesia
40	China

Index Rank	Country
41	Chile
42	Brazil
43	Cyprus
44	Malta
45	Serbia
46	Israel
47	Barbados
48	Mauritius
49	Moldova
50	Dominican Republic
51	Mongolia
52	India
53	Morocco
54	Argentina
55	Georgia
56	Thailand
57	Jamaica
58	Armenia
59	Guyana
60	South Africa
61	Viet Nam
62	Trinidad and Tobago
63	Jordan
64	Türkiye
65	Côte d'Ivoire
66	North Macedonia
67	Oman
68	Costa Rica
69	Philippines
70	Egypt
71	Kazakhstan
72	Malaysia
73	Sri Lanka
74	Qatar
75	Bulgaria
76	Albania
77	Colombia
78	Peru
79	Saudi Arabia
80	Azerbaijan

Index Rank	Country
81	Panama
82	Brunei
83	Mexico
84	Algeria
85	Grenada
86	Cabo Verde
87	Paraguay
88	Bosnia and Herzigovina
89	Botswana
90	Kyrgyz Republic
91	Kuwait
92	Russia
93	Saint Vincent and the Grenadines
94	Ukraine
95	Bangladesh
96	El Salvador
97	Bahrain
98	Vanuatu
99	Kenya
100	Laos
101	Pakistan
102	Iran
103	Belize
104	Benin
105	Ghana
106	Guatemala
107	Rwanda
108	The Gambia
109	Togo
110	Saint Lucia
111	Belarus
112	Tonga
113	Ecuador
114	Madagascar
115	Namibia
116	Niger
117	Myanmar
118	Nepal
119	Tanzania
120	Senegal

Index Rank	Country
121	Malawi
122	Angola
123	Tajikistan
124	Ethiopia
125	Burkina Faso
126	Republic of the Congo
127	Zambia
128	Mauritania
129	Honduras
130	Mozambique
131	Eswatini
132	Gabon
133	Mali
134	Uganda
135	Bolivia
136	Nigeria
137	Afghanistan
138	Cambodia
139	Iraq
140	Guinea
141	Lesotho
142	Sierra Leone
143	Cameroon
144	Lebanon
145	Djibouti
146	Liberia
147	Zimbabwe
148	Guinea-Bissau
149	Nicaragua
150	Democratic Republic of the Congo
151	Equatorial Guinea
152	Haiti
153	Burundi
154	Sudan
155	Chad
156	Central African Republic
157	Venezuela
158	Yemen

These findings underscore that a significant portion of the global population does not benefit from meaningful anti-illicit trade protections. This highlights the urgent need for capacity-building, enforcement enhancements, and international cooperation to raise global standards and better shield most of the world's population from the harms of illicit trade.

Looking at categorical performance

The *Index* evaluates countries across six key categories, each assessing a critical aspect of resilience against illicit trade. While some nations demonstrate strength in specific areas, others struggle with systemic weaknesses, highlighting the uneven distribution of enforcement capabilities, regulatory frameworks, and governance structures.

Many countries exhibit strong performance in the category of Trade, Customs and Borders, which primarily measures a country's ability to prevent the entry and movement of illicit goods. While some countries have advanced systems and protocols in place, others face substantial challenges in enforcing border and customs practices.

→ *The average score in the Trade, Customs and Borders category is 56.5, with the widest range in scores in any category – from Canada at 96.4 to Burundi at 14.4. This is the only category where the first 15 countries score in or above the 80th percentile, suggesting a strong combination of border controls and policies governing goods in transit, customs inspections and risk profiling that can be shared with lower scoring countries.*

Performance by Category

Rank	Category
1	Category 1: Taxation and Economic Environment (average score 60.5)
2	Category 4: Trade, Customs and Borders (average score 56.5)
3	Category 3: Criminal Enablers of Illicit Trade (average score 53.6)
4	Category 2: Regulatory Framework and Enforcement (average score 53.2)
5	Category 6: Sectoral Illicit Trade Indicators (average score 44.6)
6	Category 5: Supply Chain Intermediaries (average score 30.9)

On average, countries perform best in the category Taxation and Economic Environment, which measures the strength of a country's economic policies, including tax frameworks, inflation control, and management of informal economies.

→ *The average score for Taxation and Economic Environment is 60.5. This (relatively) high score conceals a wide range of performance from Switzerland scoring 82.6 to Sudan down at 21.6. This disparity reflects a spectrum from high performers with robust fiscal measures to low performers grappling with unstable economic conditions.*

Given the lawlessness surrounding illicit trade, an important category is the Criminal Enablers of Illicit Trade measuring the effectiveness of a country's ability to counteract corruption, human trafficking, organized crime, and money laundering.

→ *On average, countries score 53.6 in the Criminal Enablers of Illicit Trade category, with only 25 countries scoring above the 60s. Where good scores appear, the country usually has anti-money laundering systems in place. In contrast, scores are dragged down when poor performance on anti-corruption is observed.*

A country's ability to enforce international legal frameworks, enhance domestic agency cooperation, and strengthen its regulatory environment are the main aspects of the category Regulatory Framework and Enforcement. The low scores in this important category are an urgent signal to policymakers to target and enforce necessary regulatory controls.

→ *While countries with mature regulatory controls like Japan, Germany, and the US are at the top the list, the Regulatory Framework and Enforcement category ranks 4th of six overall. Notably, a concerning observation is the poor scores registered for interagency coordination. Nearly 80% do not have an active interagency anti-illicit trade coordinator, group, or committee, undermining a comprehensive approach to tackling the complex, multi-faceted nature of illicit trade.*

The lowest-scoring category Supply Chain Intermediaries evaluates a country's ability to oversee and control supply chain hotspots vulnerable to illicit trade. The proliferation of Free Trade Zones (FTZ) and the shift toward illicit activities in them, the rapid growth in the number and types of e-commerce platforms, and the dramatic increase in small packages flowing through global postal networks challenge governments to keep pace, modernize controls and upgrade the allocation of resources and technologies to address illicit trade.

→ *On average, countries score 30.9 in the Supply Chain Intermediaries category. The main outlier is the extremely low scores for postal security with an average score of 3.8 out of 100. Progress is also needed in the commitment to controlling illicit trade in FTZs. An average score of 21.8 for government commitments to controlling illicit trade in FTZ reflects the lack of high-level policy commitment to addressing these areas. Similarly, the indicator on e-commerce frameworks shows a strong need for improvement. The global regulatory landscape for e-commerce shows significant gaps in consumer protection and platform accountability, which is reflected in the low average score of only 26.1 out of 100.*

Another low-scoring category is Sectoral Illicit Trade Indicators. This category focuses on key economic sectors that are vulnerable to illicit trade, shedding light on the need for sector-specific improvements to defend against illicit trade.

→ *The average score for the Sectoral Illicit Trade Indicators category is 44.6, with a range of scores from 66.4 for Iceland to 19.5 for Viet Nam. As is evident from this range, all countries are significantly underperforming when it comes to enforcement against illegal flora crime, illegal fauna trade, non-renewable resource crimes, intellectual property rights crime, trade in counterfeit goods, illicit trade in excisable goods, illicit trade in alcohol, illicit trade in agrochemicals, and illicit trade in pharmaceuticals.*

There is an important and pressing role for regional intergovernmental organizations to improve the capabilities of member states, by establishing standards, sharing best practices, promoting regional cooperation and harmonizing taxation and border controls in neighboring countries. For these reasons, the *Index* examines the performance of the world's dominant economic groupings.

→ *OECD emerges as the highest scoring (64.4), followed by the EU (64.3) and G20 (60.4). ASEAN (49.7), CELAC (47.1), and the African Union (40.8) fall below the global average. BRICS nations occupy an intermediate position between these clusters, with an average score of 53.3.*

The OECD has long provided strategic guidance to its Member States to strengthen their defenses against illicit trade. Its dedicated Working Party on Combating Illicit Trade has issued targeted recommendations that help fight against illicit trade—from counterfeits to illicit pharmaceuticals and alcohol to narcotics and trafficking in wildlife.

→ *OECD countries dominate the top 20 ranks of the Index. For those OECD countries that fall outside the top 20, there is an opportunity to learn from the best practices of higher scoring members like Denmark (#1), United States (#2), Germany (#3) and Japan (#7).*

The G20 has made repeated commitments to combating illicit trade, pledging to combat human trafficking, illicit financial flows, counterfeit trade, environmental crimes, and illegal, unreported, and unregulated (IUU) fishing. But the wide dispersion of (low) scores shows that there is room within the G20 to address illicit trade and then demonstrate the much-needed leadership to the world's governments.

→ *Eight G20 members are among the top 20 – including six of the seven G7 countries – except for Italy, which ranks 30th. Another eight G20 economies fall in the mid-range (30th to 64th), while the three lowest-ranked G20 nations – Saudi Arabia, Mexico, and Russia – are positioned at #79, #83, and #92, respectively.*

The original BRICS group—Brazil, Russia, India, China, and South Africa—represents a significant portion of the developing global economy. However, their aspirations and growing influence in international trade are incongruent with their commitments to mitigate the negative externalities of illicit trade. China, India and Russia are notorious as primary sources of illicit products worldwide. Brazil, South Africa and China are notorious for harboring some of the world's largest markets for illicit products.

→ *In the Index, four BRICS countries rank only slightly above the global average score of 49.9: China (#40, score: 56.6), Brazil (#42, score: 56.3), India (#52, score: 54.1), and South Africa (#60, score: 52.4). Russia is #92 with a score of 46.8.*

Finally, a lesson can be found in the wide variations in scores, be that within regions, between economic grouping, or within each of the categories. Countries' capabilities to tackle illicit trade are not evenly distributed and advances can be made by undertaking a holistic all-of-government approach to combating illicit trade.

Only by addressing both broad structural shortcomings and nuanced, sector-specific vulnerabilities can governments build resilient systems capable of defending their economies from the far-reaching economic, societal, and environmental harm of illicit trade. By implementing needed controls, governments can create a stronger legal and regulatory framework that deters illicit trade, ensures fair market competition, and enhances consumer protection.

The path forward demands coordinated, sustained, and targeted reforms and a commitment to continuous improvement and international collaboration.

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