

TRACIT flags risks of illicit trade in central Asia

New study investigates illicit trade in Kazakhstan, Uzbekistan, Tajikistan, and Kyrgyzstan

15 November 2023, Almaty – Today, the Transnational Alliance to Combat Illicit Trade (TRACIT) released its latest report, [Central Asia at the Cross-Roads of Illicit Trade: An investigation into illicit trade in Kazakhstan, Uzbekistan, Tajikistan, and Kyrgyzstan](#). The report shows that a more interconnected Central Asia brings greater risks for illicit trade.

“With Central Asia reemerging as a strategic hub of international trade between east and west, we’re very concerned about vulnerabilities to illicit trade,” said Esteban Giudici, TRACIT Director of Programs. “Central Asian governments are already losing millions in tax revenues, natural resources are illegally leaving the country, informal markets are strengthening, and consumers are increasingly exposed to poorly made and unregulated products.”

Illicit trade poses a significant challenge to Central Asian countries, undermining economic stability, security, and public health. Counterfeit goods, ranging from shampoo, designer clothes and chocolate bars to pesticides, alcohol and car parts, are widespread. Fuel smuggling is a common practice, while the rapid growth in illicit tobacco trade over recent years not only provides a significant source of funding for organized criminal activities, but also leads to substantial losses in tax revenue for governments.

“Given the region’s economic influence and its growing role as a global trade hub, it is imperative that Kazakhstan, Uzbekistan, Kyrgyzstan, and Tajikistan confront the threat of illicit trade and rapidly invest in measures to mitigate the negative impacts it can have on economic development,” said Mr. Giudici.

TRACIT explains that Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan all face significant structural weaknesses that inhibit their capability to address illicit trade. These weaknesses stem from their geography, varying legal frameworks, and historical contexts and include high levels of criminality, corruption, large informal economies, and weak enforcement systems and border controls.

“It’s critical that these governments immediately address border controls, growth in the Informal economy, corruption and weaknesses in regulatory and enforcement systems,” said Mr. Giudici.

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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