



MEDIA RELEASE

Latin America Regional Summit on Security and Illicit Trade TRACIT Urges Latin American Governments to Step Up Control of Free Trade Zones

Buenos Aires, 14 June 2019 – The Transnational Alliance to Combat Illicit Trade (TRACIT) urged officials from Latin America to step up to fight illicit trade, during the Regional Summit on Security and Illicit Trade hosted by “El Cronista.” Government officials and industry stakeholders gathered to discuss the country’s vulnerabilities to illicit trade and put forward solutions. The panels included discussions on the Triple Border Area, Public-Private Cooperation, Trade Based Money Laundering, Online Illicit Trade and the vulnerabilities of Free Trade Zones.

“Findings from the Global Illicit Trade Environment Index and, in particular, the five case studies on Free Trade Zones, show that Colon (Panama), Corozal (Belize) and Maicao (Colombia) Free Trade Zones have become a major transit hub for contraband, affecting domestic markets and flooding the region with illicit consumer goods,” said TRACIT Director-General Jeffrey Hardy. **“Collective endeavors should be aimed at finding a balance between facilitation and regulation of FTZs.”**

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 [five case studies paper](#) looks at Free Trade Zones in five countries: Panama (Colon FZ), Belize (Corozal FZ), Colombia (Maicao Special Customs Regime Zone), United Arab Emirates (Jebel Ali FZ), and Singapore.

“TRACIT has been actively participating and advocating in international forums to find ways to curb illicit trade in Free Trade Zones without undermining their productivity. To this end, it is important that governments and other relevant stakeholders promote awareness amongst the business community.”

Mr. Hardy shared a targeted set of policy recommendations aimed to strengthen cooperation between law enforcement agencies and Free Trade Zones operators and foster other means of public-private cooperation. He also called on Latin American governments to declare that Free Trade Zones are under the jurisdiction of national Customs and provide national Customs with unrestricted rights to enforce laws. Illicit trade, including counterfeiting and piracy, deprives legitimate businesses of revenues that could be invested in innovation and jobs, robs governments of tax revenues that could be spent on essential services and infrastructure, harms consumers with unregulated fake goods, and finances organized crime and terrorism.

More information on the Global Illicit Trade Environment Index and TRACIT policy recommendations are available at: 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.

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