

South Africa is on the Right Path to Fight Illicit Trade

Cape Town, South Africa, 23 October 2019 – Today, the Transnational Alliance to Combat Illicit Trade (TRACIT) addressed government officials and industry stakeholders at the 12th International Law Enforcement Intellectual Property Crime Conference.

“The scope and depth of illicit trade presents real challenges to South Africa’s economic development,” said TRACIT Director General Jeffrey Hardy during a special session on law enforcement and cooperation. “South Africa is on the right path to fight illicit trade, but findings from our *Global Illicit Trade Environment Index* show that more attention must be given to enforcement and improved interagency cooperation.”

South Africa’s score on the *Global Index* are mixed, ranking 42nd out of 84 countries evaluated, with an overall score of 62.0 (out of 100). This is just above the global average (60.0), but still leaves South Africa in the bottom half of its peers in the Group of Twenty (G20). Notably, South Africa is ranked first among BRICS countries.

“As the only African country represented in the G20 and BRICS economic groupings, South Africa has an opportunity to demonstrate leadership in promoting the interests of Africa and the Global South,” said Mr. Hardy. “It is crucial South Africa gets the regulatory balance right and serves as a positive role model for the region.”

To encourage an effective policy response to illicit trade in South Africa, TRACIT presented a set of recommendations outlined in its new study, *Illicit Trade in South Africa: Challenges and Solutions*. The report calls for inter alia increasing deterrent penalties, strengthening cooperation with African neighbors and working more closely with industry sectors vulnerable to illicit trade.

Mr. Hardy also participated in a panel discussion on the role of free trade zones (FTZs) in moving illicit goods across the continent. “A lack of oversight, indifferent customs controls, particularly on goods in transit, and light regulation in FTZs contributes to trade in fake goods,” said Mr. Hardy. “OECD has issued its recommendations on controlling FTZs, and we must now begin working with all responsible government bodies to help operationalize these new standards.”

About TRACIT

The Transnational Alliance to Combat Illicit Trade ([TRACIT](http://TRACIT.org)) 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. The TRACIT South Africa policy recommendations are available at: www.tracit.org/publications

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