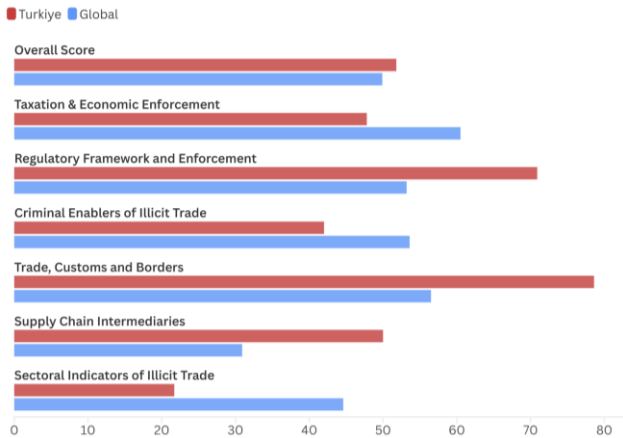




Illicit trade remains one of the most pressing threats to Turkiye’s economic stability and growth. While some efforts have been made resulting in some positive change, the scale of the challenge demands sustained political commitment and comprehensive strategies to tackle its root causes. Confronting this issue directly would allow Turkiye to recover lost tax revenues, restore investor confidence, and advance its broader economic and development objectives.



## OVERVIEW



## STRENGTHS & WEAKNESSES

### Strengths

- Advanced customs enforcement tools, including electronic advance cargo data and risk-based targeting via the UNODC Container Control Program.
- Ratification of key international treaties supporting efforts to combat illicit trade.
- Specialized IP courts and established consumer protection channels.
- Strong cybersecurity infrastructure, reducing exposure to cyber-enabled illicit trade.

### Weaknesses

- Turkiye is the third-largest exporter of counterfeit goods globally, exposing major gaps in IP enforcement.
- Oversight of free trade zones remains weak, lacking adherence to key international standards.
- E-commerce platforms and postal networks are poorly regulated, allowing illicit goods to circulate easily.
- A sizeable informal economy—30% of GDP and 25% of employment—fuels illicit trade and undermines tax revenue.



## RISK METER



## KEY INSIGHTS



### GLOBAL RANKING

64<sup>th</sup> out of 158 countries



### REGIONAL RANKING (EUROPE)

35<sup>th</sup> out of 42 countries



### OVERALL SCORE

51.8/100



### TOP PERFORMING CATEGORY

Trade, Customs and Borders (78.6)



### LOWEST PERFORMING CATEGORY

Sectoral Illicit Trade (21.7)



## PRIORITY ACTIONS

- **Improve customs seizure procedures** by empowering customs authorities to act ex officio or at the request of legal cargo owners to seize or suspend the release of suspected illicit goods.
- **Ensure immediate treatment of seized goods** where the government assumes the cost of storage per IP Law 6769, Article 163. Furthermore, this law should be amended to expand state-run warehouses and allow authorized individuals to delegate licensed trustee authority to subcontractors to ensure storage and destruction standards are met.
- **Address taxation issues** that facilitate illicit trade, specifically the imposition of excise taxes on alcohol and tobacco.
- **Enhance training for judiciary and enforcement agencies** to promote increased understanding of the illicit trade environment and promote increased seizures and faster judicial processing to better combat illicit trade within and across Turkiye’s borders.