

# **Second UNCTAD Illicit Trade Forum**

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## **Case Study: Private and Government leadership in mitigating illicit trade in Trinidad and Tobago**

Contribution  
by

**The Trinidad and Tobago Manufacturers'  
Association (TTMA)**

## The illicit trade problem in Trinidad and Tobago

Illicit trade can thrive anywhere, even in the beautiful Republic of Trinidad and Tobago. Despite a strong economy and high GDP per capita, the southernmost island country in the Caribbean is vulnerable to a wide range of illicit trade in sectors inclusive of but not limited to narcotics, the trafficking of humans and weapons, cigarettes, alcohol, wildlife, pharmaceuticals as well as cleaning agents.

This coincides with a dramatic escalation in violent crime in the country, which is deeply intertwined with illicit trade and smuggling operations managed by organized criminal groups. The Government also reports that tax evasion due to illicit trade in alcohol and tobacco was as high as USD 91 million, while illegal imports cost the nation USD 61 million last year. In addition, there is evidence of associated organized crime such as money laundering which threatens economic growth and prevents the equitable distribution of public goods. Countries and companies lose revenue, investments, market opportunities and citizens become subjugated and exposed to health risks and deprived of financial security.

The problem in Trinidad and Tobago was significant enough that the country ranked only 75th out of 84 economies evaluated in the Global Illicit Trade Environment Index, published by the Transnational Alliance to Combat Illicit Trade (TRACIT).

Contributing to the growth in illicit trade is the disparity between import duties and taxes between islands, links to organized crime, high profits and turnover, inadequate penalties, gaps in Governance and Regulatory structures contribute heavily to flourishing illicit markets. The country's porous borders, and the lack of enforcement due to limited and inadequate labour and technical resources were highlighted as significant enablers for illicit trade and trafficking in the twin isle republic.

### Private sector Initiatives

Upon recognizing the impact and adversities associated with illicit trade on legitimate manufacturers, distributors and consumers at large, the Trinidad and Tobago Manufacturers' Association established an Illicit Trade Desk in 2018 to aid in combatting the crime. The desk was formed in collaboration with several private sector organizations that are commonly affected by illicit trade. The ultimate goal of the TTMA's Illicit Trade Desk focuses on initiatives geared toward mitigating illicit activities and its associated consequences on the economy, business community and citizens in the domestic market.

The Association has engaged and continues to engage in the following initiatives:

- **Articles** – Focus on public awareness is critically important in reducing instances of illicit trade. In this regard, the Secretariat has published articles on all aspects of illicit trade inclusive of alcohol, tobacco, wildlife, music piracy, free trade zones, cybercrime, human trafficking and money laundering. To date, this has led to over 210 media exposures broadcasted via print, digital and television media.
- **Webinars** – The TTMA has hosted and participated in webinars on the topic of illicit trade and its various forms with diverse local, regional and international partners such as the British High Commission, Trinidad and Tobago Police Service, Customs and

Trinidad and Tobago Customs Excise Division, Crime Stoppers Caribbean, Latin America & Bermuda, UNODC, Living Water Community, the International Trademark Association and the Ministry of Trade and Industry.

- **Illicit Trade Study** – The TTMA procured an independent researcher, namely Anatol Research Institute to conduct a study on illicit trade in tobacco. The company examined various criteria, including the profiles of existing smokers (e.g. brand preference, volume of packs purchased), factors affecting purchasing patterns, the perception of illicit trade in Trinidad and Tobago, and an economic analysis of imported tobacco and the taxes collected. The statistics presented within the report's findings were utilized in forming policy positions and developing recommendations to tackle illicit trade in tobacco products.
- **Training** – Via the Illicit Trade Desk, training was provided to 120 police officers and 30 customs and excise officers attached to several stations and posts in Trinidad and Tobago. They were edified on how to identify and treat with illicit trade in various highly affected industries.
- **Interviews** – As part of the Association's public awareness initiatives, members of the Executive have participated in educational segments on local television channels to discuss the forms of illicit trade, its impact and make recommendations on ways in which the act can be reduced.
- **TRACIT Partnership** – TTMA's Illicit Trade Desk recently signed a memorandum of understanding with TRACIT to enhance international collaboration on initiatives targeted to a global reduction in the crime.
- **Position papers and proposals** – Several positions papers and proposals to Government organizations on how to tackle illicit trade in consumer products at a national level. Areas of focus were on illicit trade on a holistic scale, free trade zones and enhanced enforcement activities.

Overall, the TTMA has committed to being an advocate for reducing incidences of illicit trade locally and will continue to work closely with the Government, law enforcement officers and regulatory agencies on all efforts geared to better detection and prevention of illicit activities and a reduction of illegal goods in Trinidad and Tobago.

## Government response

In response to the far-reaching effects of illicit trade on the economy and public health, Minister of Trade and Industry of Trinidad and Tobago, Senator the Honourable Paula Gopee-Scoon urged action to step up the fight against illicit trade.<sup>1</sup> During a press conference to introduce a portfolio of actions the government would undertake to combat illicit trade, she referred to the country's low ranking in the TRACIT index. "We have to improve our standing on this index," she said. She also noted that illicit trade undermines legitimate manufacturers' efforts, including their intellectual property rights and trademarks. This multifaced problem chips away at

government revenue and budgets, impacts businesses and investments, depress lasting employment opportunities and citizens become disenfranchised and are exposed to health risks.

As a first step the government included illicit trade in its *Road Map for Trinidad and Tobago: Transforming to a New Economy and a New Society*. The focus of this initiative was aimed on tackling illicit trade in specific consumer goods, in the first stage.<sup>ii</sup>

Subsequently, in May 2021, Minister Gopee-Scoon officially launched the National Action Plan to Combat Illicit Trade in Consumer Goods and introduced the National Anti-Illicit Trade Task Force comprising of several government, regulatory, law enforcement and private sector agencies. These being:

1. Ministry of Trade and Industry
2. Ministry of National Security
3. Customs and Excise Division, Ministry of Finance
4. Financial Intelligence Unit of Trinidad and Tobago, Ministry of Finance
5. Intellectual Property Office, Office of the Attorney General and Legal Affairs
6. Ministry of Agriculture, Land and Fisheries
7. Chemistry, Food and Drugs Division, Ministry of Health
8. Trinidad and Tobago Bureau of Standards
9. Trinidad and Tobago Police Service
10. Crime Stoppers Trinidad and Tobago (non-governmental organisation)
11. Trinidad and Tobago Manufacturers' Association (private sector organization)
12. Trinidad and Tobago Chamber of Industry and Commerce (private sector organization)

The plan that the aforementioned collective body will oversee via four sectoral working groups, namely the Working Groups on Alcohol, Tobacco, Pharmaceuticals and Cleaning Agents and one on Legislation prescribes a holistic and coordinated approach to addressing illicit trade. It will incorporate best practices to tackle the problem by other governments including the United Kingdom and the United States, and experiences of other developing countries such as Kenya and Malaysia. The resulting plan comprises twenty-six measures aimed at achieving five broad objectives:

- Strengthening the legal framework to combat illicit trade;
- Strengthening the capacity of Ministries and enforcement agencies to combat illicit trade;
- Enhancing collaboration among regulatory and enforcement agencies;
- Promoting public-private partnerships towards fighting illicit trade; and
- Increasing public awareness of illicit trade and the associated dangers.

The government has been systematically implementing the national plan with focus on driving awareness and consumer education, capacity building and strengthening enforcement on the ground. These activities are being facilitated via inter-agency cooperation and partnerships between the private and public sectors.

## Public-private efforts

Recognizing that industry can be a critical partner in the fight against illicit trade, the government has initiated partnerships to leverage the strengths of public-private partnerships via the Anti-Illicit Trade Task Force.

Over the last year, the AITTF has begun to implement many of the provisions in the National Action Plan and has made progress on enhancing policy and regulatory measures to more effectively address illicit trade. This work is undertaken by working groups addressing the four focus areas delineated in the Roadmap: tobacco, alcohol, cleaning agents, pharmaceuticals and legislation.

To date, each collective group has contributed to providing data and information for each sector in terms of:

- Estimations of the current level of illicit trade
- Identification of enablers of illicit trade locally
- Review of current level of taxation and its potential to incentivize illicit trade nationally and make recommendations
- Recommendations to combat illicit trade in Trinidad and Tobago

The National Anti-Illicit Trade Task Force has also embarked on a social media campaign to raise consumer awareness on illicit trade and plans to engage in a wider National Awareness Campaign which will be made available and broadcasted via difficult mediums and platforms. The aim of the AITTF is to reach as much of the population as possible for the purpose of equipping the public domain on how they can:

- Identify illicit consumer products
- Make informed purchases
- Learn of the ways in which they can ‘join the fight’ and report illicit trade

It is believed that through strong collaboration and leveraging the strengths of both private and public sector, incidences of illicit trade can be significantly reduced in the Republic of Trinidad and Tobago.

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<sup>i</sup> <https://newsday.co.tt/2021/03/17/gopee-scoon-over-90m-loss-in-illegal-imports-in-two-years/>

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<http://www.news.gov.tt/sites/default/files/Final%20Speech%20Illicit%20Trade%20Task%20Force.pdf>  
<https://tradeind.gov.tt/aittf/>  
<https://www.ttma.com/ease-of-doing-business/illicit-trade/>