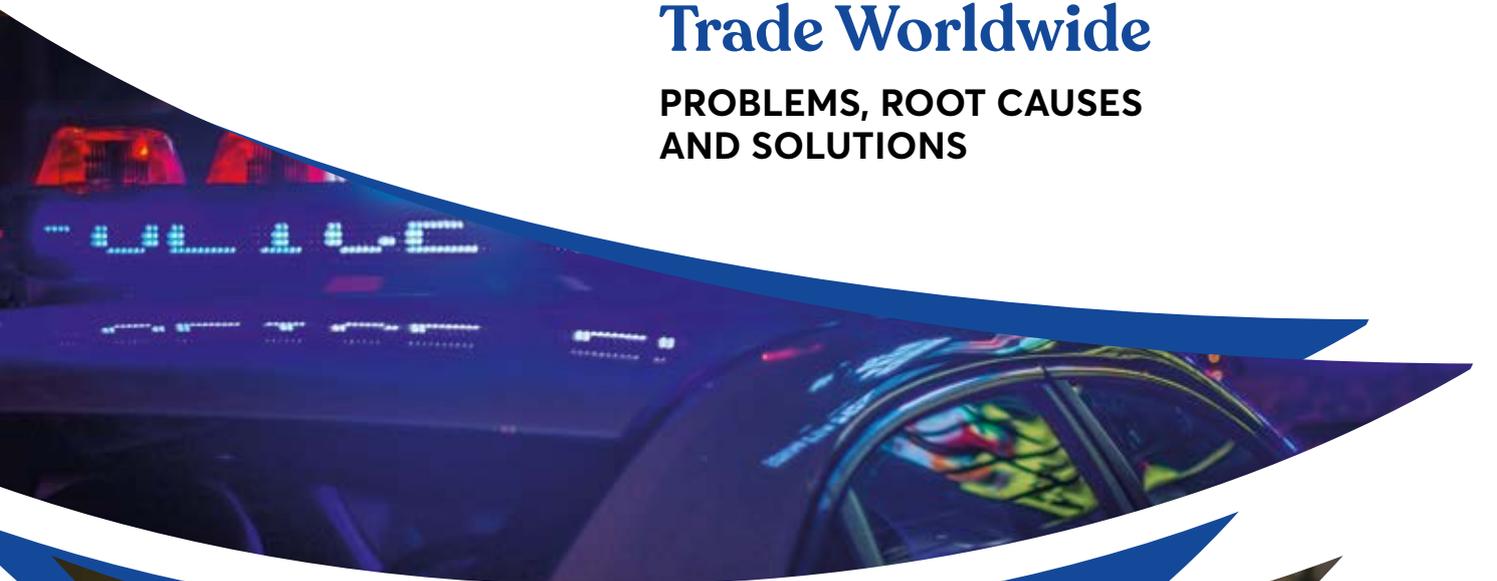




Countering Illicit Alcohol Trade Worldwide

**PROBLEMS, ROOT CAUSES
AND SOLUTIONS**



The many forms of illicit alcohol

26%

OF ALCOHOL CONSUMPTION IS ILLICIT

Source: Euromonitor

This figure is much higher in many markets, as highlighted in some of the case studies in this brochure.

US \$8.9

BILLION OF FISCAL REVENUE IS LOST EVERY YEAR DUE TO ILLICIT ALCOHOL

Sources: Euromonitor – aggregate from different studies on illicit alcohol in different regions of the world; TRACIT & Ha Noi)



22% **Illicit artisanal:** Artisanal alcoholic beverages produced for commercial purposes, but outside of the regulatory oversight and legal framework of the country of production.



24% **Counterfeit:** Fraudulent imitation of legitimate products, including refill (empty bottles of legitimate products refilled with cheaper alcohol), falsification (including industrial production of illicit brands or brand-less illicit alcohol) and tampering. These products infringe the intellectual property rights of legitimate producers.

ILLICIT ALCOHOL CONSUMPTION IN VOLUMES BY CATEGORIES



Source: Euromonitor, 2018 – estimate on the basis of alcohol consumption in 24 countries worldwide



17% **Smuggling:** Illicit ethanol imports as raw material and illicit imports of alcohol beverages as finished product which evades tariffs & tax payment and customs controls.

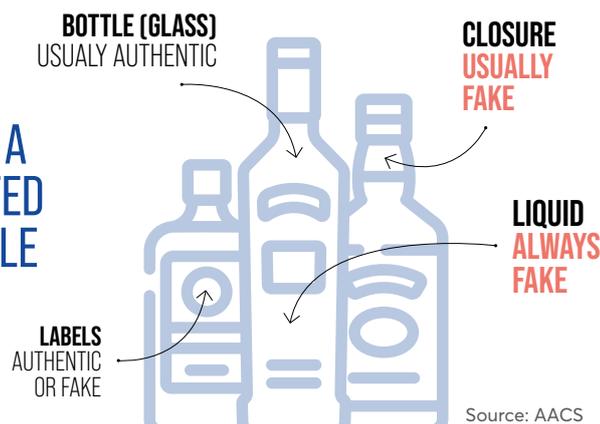


7% **Surrogate:** Alcohol not produced for human consumption, ie. pharmacy alcohol, deviated to the alcohol beverage market.



30% **Tax leakage:** Legal alcohol beverages produced locally, where no excise tax is paid.

ELEMENTS IN A COUNTERFEITED SPIRITS BOTTLE



Source: AACCS

The dangers of illicit alcohol

FOR CONSUMERS

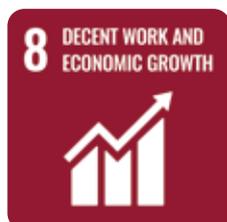
- > Products which do not meet quality standards & expectations (particularly for counterfeit); and
- > Health risks, including death & blindness, stemming from the consumption of unsafe products (counterfeit, illicit artisanal, surrogate)

FOR LEGITIMATE BUSINESSES

- > Reputational risk
- > Loss in sales and revenue, impeding opportunities to invest in facilities, innovation and employment; and
- > Unfair competition benefiting illicit traders at the expense of legitimate ones.

FOR GOVERNMENT

- > Loss in fiscal revenue;
- > Burden on customs resources at the border;
- > The country becomes less attractive for legitimate traders and foreign investors;
- > Increased health expenditures due to the negative health impact of unsafe products; and
- > Illicit alcohol often brings revenues to criminal networks, which use it to fund illegal & dangerous activities.



ILLICIT TRADE IN ALCOHOL HAS A DETRIMENTAL IMPACT ON 5 OF THE UN'S SUSTAINABLE DEVELOPMENT GOALS (SDGS)

‘Illicit trade creates a triple threat to the financing of development: crowding out legitimate economic activity, depriving Governments of revenue for investment in vital public services and increasing the costs of achieving the Sustainable Development Goals by eroding the progress already made. Therefore, there is a need to assist developing countries in addressing such challenges.’

Ministerial Declaration of the Group of 77 and China to UNCTAD XV, October 2021

The drivers of illicit trade



PRICE DIFFERENTIAL BETWEEN LEGAL & ILLICIT PRODUCTS

- > High import tariffs and domestic taxation not adapted to the local context, which act as incentives for illicit operators, allowing them to gain larger profit margins and to offer consumers prices inferior to what legitimate operators could offer.



RESTRICTIONS & EXCESSIVE BURDEN ON LEGAL PRODUCTS

- > Restrictions on availability of legal products (limited licensing hours, import quotas, quantitative restrictions on outlets that can sell alcohol, e-commerce bans).
- > Prohibitions & alcohol bans.
- > Inadequate legal framework for alcoholic beverages creating opportunities for illicit trade operators.



INADEQUATE PENALTIES & ENFORCEMENT

- > Weak enforcement.
- > Low penalties for activities related to illicit alcohol.
- > Lack of appropriate controls at the border.
- > Poorly controlled distribution channels.
- > Corruption.
- > Insufficient cooperation between enforcement authorities & legitimate operators.



LACK OF PUBLIC AWARENESS

- > Limited knowledge about the risks of illicit alcohol & how to identify illicit beverages.
- > Social acceptability of illicit trade.
- > Local customs and traditions, especially involving artisanal alcohol

CASE STUDY – INDIA

Illicit alcohol is particularly prevalent in India. According to the World Health Organization (WHO) unrecorded alcohol represents around 46% of all alcohol consumption in India.

Aside from the fiscal cost of illicit alcohol (\$846 million/year), deaths caused by illicit alcohol poisoning are a regular occurrence in India. In late February 2019, local media reported one of the worst illicit alcohol tragedies which resulted in 150 deaths and 200 injuries in Assam. In the same month, approximately 100 people from

Uttar Pradesh and Uttarakhand died from consuming illicit alcohol. These deaths were reportedly due to the consumption of cheap locally made liquor.

A lack of consumer awareness about the risks of consuming potent and potentially dangerous illicit alcohol, alcohol bans and prohibition in certain states, severe restrictions around legal outlets availability & licensing hours, the significant price gap between legal & illicit products and weak regulations and enforcement are all to blame.



Source: TRACIT, 2019, Illicit Trade in alcohol in India: challenges and solutions

CASE STUDY: THAILAND

A Euromonitor report from June 2021 assessed the cost of illicit alcohol trade in Thailand for the Government at 2.8 billion BHT per year (\$86.6 million USD), the equivalent of over 73,600 COVID-19 vaccine doses or the yearly salaries of 6,200 nurses and 4,700 teachers.

At a time where Government budgets are more stretched than ever, this situation deprives the Thai government of billions of baht in import duties, excise taxes and other levies, which could otherwise be put towards the economic recovery and to fight the COVID-19 pandemic. The gains made by those engaged in illicit alcohol directly support international crime networks operating across the region.

High duties and taxes, which make imported spirits substantially more expensive than in neighbouring countries, drive both demand and supply for illicit products (as the significant profits encourage criminals to risk punishment). More recently, the ban on e-commerce of alcoholic beverages has also diverted trade to unregulated black-market traders on social networks. This was particularly significant as a result of restrictions to other (legal) sources of supply during the pandemic.

Source: Euromonitor, 2021: Building a strategy to combat illicit trade in Thailand

28.5%

OF ALL IMPORTED SPIRITS ARE EITHER CONTRABAND OR COUNTERFEIT. THE MALAYSIAN AND CAMBODIAN BORDERS WERE IDENTIFIED AS THE KEY ENTRY POINTS INTO THAILAND.

1 in 6

BOTTLES OF IMPORTED SPIRITS ARE SMUGGLED. THIS CAN INCREASE TO 35-40% FOR THE MARKET-LEADING IMPORTED WHISKIES.



THE FISCAL LOSS STEMMING FROM ILLICIT ALCOHOL FOR THE BRAZILIAN STATE IN 2017 REACHED R\$5.5 BILLION.

CASE STUDY: BRAZIL

Illicit alcohol represented around 14.6% of overall alcohol consumption in volume in Brazil in 2017. The main driver was the total tax on alcoholic beverages, which was never less than 50% of the sales value of domestic products and made up to 68% of the imported distilled beverages' price. As a result, on average, illicit distilled beverages were 28.4% less expensive than their legal alternatives. This price gap between licit & illicit and a lack of proper enforcement, were responsible for the rise of illicit alcohol – which came at a significant cost for public budgets and health and safety of consumers. The fiscal loss stemming from illicit alcohol for the Brazilian state in 2017 reached R\$5.5 billion.

Competitive price advantages drove illicit behaviour via tax leakage by medium and small sized players. Illicit artisanal, another category of illicit products, affected different kinds of beverages, particularly Cachaça. Small artisanal producers do not regulate production in order to keep prices low, avoid taxes and bypass sanitary regulations. As a result, illicit artisanal products are

on average 69.3% cheaper than legal products in the same category. Poor sanitary installations and lack of production quality and standards make this category a consumer health hazard. Both tax leakage and illicit artisanal must be addressed to counter losses as they make up 85% of illicit pure Alcohol volumes.

Counterfeit & contraband products, on the other hand, are mainly imported whisk(e)y & vodka, particularly premium products, which are more attractive for illicit traders as they are heavily taxed, providing larger profit margins. They represent a much smaller percentage of illicit alcohol in volume than both tax leakage and illicit artisanal but are a significant segment in value (after tax leakage). Better enforcement & surveillance and increased penalties for engaging in illicit activities are key, as are addressing the root causes of the problem (ie, disproportionately high taxation).

Source : Euromonitor, 2019: Illicit alcohol in Brazil

Impact of the COVID crisis & alcohol restrictions on Illicit Trade

In January 2021, the Transnational Alliance to Combat Illicit Trade (TRACIT) published a report on "Prohibition, illicit alcohol and lessons learned from lockdown". This report confirmed that crisis-driven COVID-19 related restrictions and prohibitions on the sale of alcohol had boosted illicit markets to meet unmet demand, with serious fiscal and health & safety consequences. These findings were reflected in a report from the OECD Task Force on combatting illicit trade's webinar held in January 2021.



Scan the QR code to read the OECD Report.



LESSONS LEARNT FROM THE COVID-19 CRISIS

Here are some lessons learnt from the crisis:

1. Perhaps the most alarming consequence of alcohol prohibition measures was the exposure of consumers to health risks associated with adulterated illicit alternatives.
2. Supply restrictions incentivize illicit markets and criminal activity. An increase in criminal activity and criminal networks active during the pandemic, who have added illicit alcohol to other illegal products they clandestinely offer, such as narcotics, was observed in most places where alcohol sales bans were imposed.
3. Prohibition reduces tax collections and shrinks state revenues & budgets.
4. Prohibition sidelines legitimate businesses and depresses formal job opportunities – and these effects can last long after an.

PROHIBITION & ILLICIT TRADE: THE CASE OF SOUTH AFRICA

Since the start of the COVID-19 pandemic, South Africa has implemented four distinct alcohol sales bans. These bans have caused significant and irreversible economic damage with an estimated **excise tax loss of R10.2 billion** and an estimated **direct tax revenue loss (excluding excise) of R34.2 billion**, and **risks to over 233, 547 jobs**, according to estimates by the South African Liquor Brand Owners Association (SALBA).

TRACIT also concluded that these measures were counterproductive to South Africa's ongoing efforts to hold back markets for illicit alcohol, which represented already 20% of the total market share before the pandemic. This was also quickly visible to enforcement agencies, with reports of police seizures

of cases of counterfeit alcohol products, barrels of illicit stocked alcohol and hundreds of empty bottles ready to be filled, and an increase in smuggling of contraband from neighbouring countries, including Mozambique and Zimbabwe. The South African Institute for Security Studies reported an increase in criminal activity and criminal networks active during the pandemic which have added illicit alcohol to other illegal products they clandestinely offer, such as narcotics. This trend was observed in other countries where alcohol sales bans were imposed, boosting criminal activity and shifting markets further into the control of illicit actors.



Scan the QR code to read the TRACIT Report.

Sources: TRACIT, "Prohibition, illicit alcohol and lessons learnt from lockdown", 2020; SALBA sources

COVID-RELATED PROHIBITION MEASURES & HEALTH DANGERS FROM ILLICIT ALCOHOL: CASE STUDY FROM MEXICO

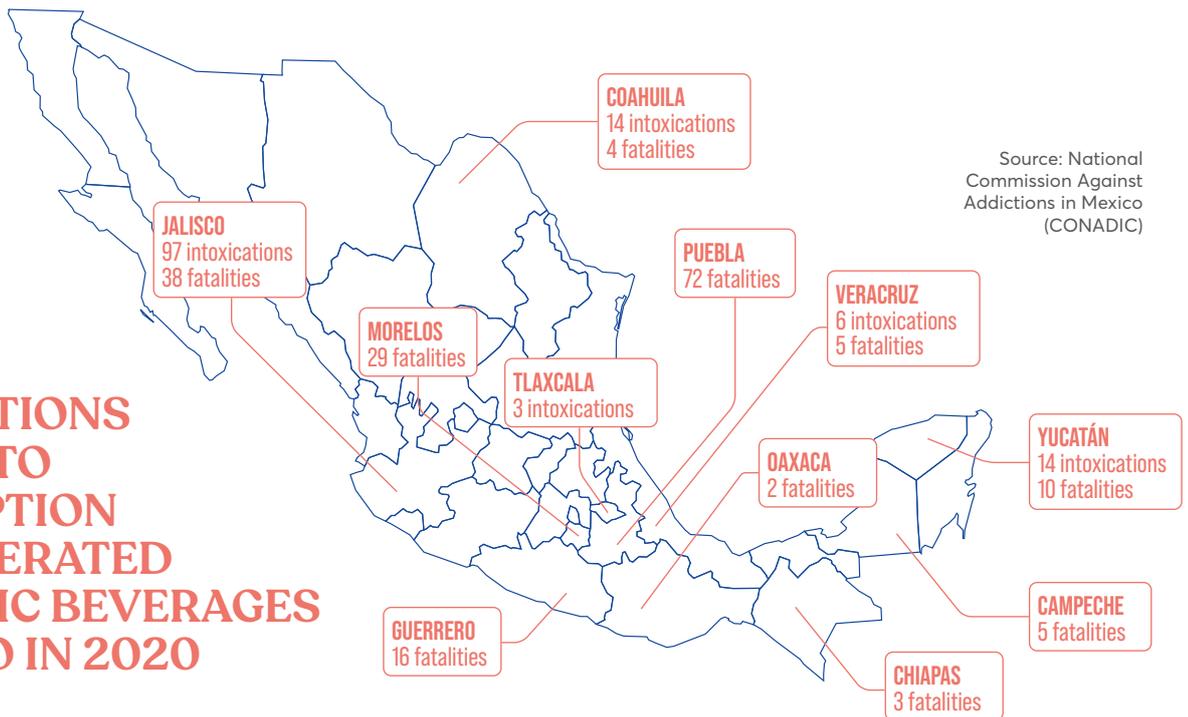
In response to the outbreak of COVID-19 in 2020, local jurisdictions throughout Mexico implemented dry laws imposing restrictions on sales hours or a complete prohibition on the sale and consumption of alcohol. State and local authorities in Tabasco, Baja California Sur, Sonora, Campeche and Quintana Roo announced restrictions on or the prohibition of alcohol sales,

following a trend that began in Nuevo León.

Citing recent data from the National Commission against Addictions (CONADIC), the Mexican journal El País reported the **death of nearly 200 people in 11 Mexican states from suspected illicit alcohol poisoning in a period of just three months.** The deaths occurred as

people who sought to circumvent the dry laws were poisoned by contraband or counterfeit alcohol. Between the end of May and the beginning of June, 18 people died in the Mexican city Tlapa de Comonfort from consuming adulterated beverages, almost the same number of deaths caused by the coronavirus in the municipality at that time.

INTOXICATIONS RELATED TO CONSUMPTION OF ADULTERATED ALCOHOLIC BEVERAGES IN MEXICO IN 2020



Source: National Commission Against Addictions in Mexico (CONADIC)

Impact of COVID-19 on counterfeiting trends



– Counterfeiters are becoming more sophisticated: producing high-quality dry goods, fake labels, investing in fake glass and coding laser machines with much bigger volumes.



– Counterfeiters are becoming more organised, often working in transnational criminal rings (recycling or production of bottles, refilling, manufacturing, distributing...)



– Counterfeiters are increasingly using internet platforms to sell their products (dry goods & finished products). They are active on most marketplaces, social media and other stand-alone websites.



– The COVID outbreak exacerbated all above trends. Demand for cheaper products is increasing, leading to a higher risk of consumer poisoning incidents. Alcohol bans have further increased the illicit trade activity by boosting the demand for fake bottles and dry goods.

Source: AACCS



ILLICIT TRADE & ORGANISED CRIME

Illicit trade in alcohol strengthens organised criminal gangs, with the funding and capabilities to operate on an industrial scale and trans-nationally. For these criminal networks, spirits counterfeiting is just one of many criminal ventures alongside drugs, firearms, fraud and money-laundering, which can be used for other illegal ends.

A 2009 BASCAP (Business Action to Stop Counterfeiting and Piracy) study developed an estimate of the social costs of crime by assuming a 1% increase in the crime rate due to counterfeiting. Using this approach, the global cost of greater criminality is thought to be around US\$60 billion per year.

Recommendations to tackle illicit trade



1. SUPPORT & IMPROVE FRAMEWORK CONDITIONS FOR LEGAL ALCOHOL

- > Design non-discriminatory fiscal systems, with rates set at adequate levels to avoid providing incentives to illicit traders, while meeting public authorities' objectives.
- > Reduce dependency on import duties for alcoholic beverages, which will in turn help boost legitimate trade, generating more revenues overall for governments.
- > Avoid barriers, restrictions and excessive taxes, which make legitimate products too expensive and/or inaccessible to consumers, fuelling demand for illicit trade. Examples include alcohol bans, restrictive licensing schemes, import licences or restrictions on the availability of sales channels, such as retail outlets and e-commerce.
- > Adopt clear, proportionate and SMEs-compatible rules for legitimate traders.



2. PUNISH & PREVENT ILLICIT TRADE THROUGH ROBUST CONTROLS & ENFORCEMENT

- > Ensure robust enforcement of existing rules and regulations and increase controls and penalties – including in the e-commerce environment. This will reduce incentives to illicit traders.
- > Ensure that products include original manufacturers' lot codes & punish any tampering with lot codes.
- > Establish measures to tackle the use of counterfeit & surrogates, such as Ethanol control through denaturing or regulation of pharmacy alcohol market.
- > Set up anti-counterfeiting agencies when they do not exist and train officials.
- > Coordinate multi-agency action involving all relevant state actors, from Finance, Trade & Health ministries to Customs and other regulatory agencies.
- > Create more business-to-government cooperation platforms – including on enforcement.
- > Liaise with industry to identify the most cost-effective technological solutions to protect legitimate trade against illicit alcohol.
- > Encourage the move to digitisation of customs documents & processes to help fight criminal activity & corruption.



3. INFORM & EDUCATE ABOUT THE FORMS & DANGERS OF ILLICIT TRADE

- > Support a more formal organisation and conduct quality controls for artisanal products, in partnership with legitimate traders.
- > Devise awareness raising campaigns amongst the general adult population on the dangers and forms of illicit alcohol, including elements to help consumers identify potentially illicit products, in partnership with the private sector.
- > Provide robust training to enforcement officials, focused on the latest trends in illicit production, in order to make it easier for them to identify & control illicit products. The private sector can usefully contribute to these activities by supporting the training of government officials – including customs officers.



TAX STAMPS: NOT A SILVER BULLET...

To combat illicit trade and improve tax collection many governments introduce tax stamps in the belief that they will solve the problem. In practice, tax stamps have failed to reduce smuggling and other forms of tax evasion where introduced. Even the most technologically advanced stamps can be, and are, forged or electronically re-produced, thus creating a new illicit market for the tax stamps themselves.

This is highlighted in a study published by CIP, the Public Integrity Centre, which found that the introduction of tax stamps in Mozambique did not yield the desired outcomes and that 'smuggling of alcoholic beverage control stamps undermines tax reform and state revenue'

IMPORTANCE OF LOT CODES INTEGRITY IN THE FIGHT AGAINST ILLICIT ALCOHOL



In the beverage alcohol industry, traceability information is recorded via batch (sometimes termed as 'lot') codes, usually printed on bottles or on front/back labels at the point of production. Hidden codes may also be added to the bottle (for example, under caps). The traceability provided by batch codes provide clear benefits to producers and governments in ensuring consumer protection when consuming alcohol products.

In many countries in Asia, tampering with original manufacturers' lot or batch code

numbers is not prohibited. As a result, alcoholic beverages that enter the market through a legal parallel channel (i.e. not through official distributor appointed by brand owner) are increasingly decoded (i.e., with batch codes purposefully removed). This prevents the importer from tracing the product's origin in the supply chain in the event of a food safety issue that would require a product recall action. The removal of batch codes is also a tactic used by counterfeiters and smugglers. For example, a counterfeiter may source genuine bottles, erase the batch codes to hide the source then refill them with counterfeited beverages which can be adulterated and pose a danger to consumers.

Adopting measures making mandatory for alcoholic beverages to have a traceability mechanism

(e.g. lot/batch codes), which can only be affixed by the manufacturer/ brand owner, would go a long way in reducing incentives to the tampering with/ removal of original manufacturers' batch codes from alcohol products by illicit actors. It would have the added advantage of helping with prompt and multi-country product recalls, when needed.

For example, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which was signed by 11 countries, provides that lot codes may be used, gives suppliers the right to determine where such codes are place/formatting and allows countries to impose penalties for the removal or deliberate defacement of any lot identification code provided by the supplier. The U.S.-Mexico-Canada (USMCA) includes similar language.

Examples of lot codes removal

1. Scratched lot code covered with a sticker
2. Scratched lot code
3. The bottom of the label has been cut to remove the lot code.



WTO's role in the fight against illicit trade

While it is true that the key objective of the WTO is to promote trade liberalisation, it also has an equally important role to promote fair and licit trade where products do not compromise human health or economic development. A dialogue on illicit trade under the framework of the WTO could help raise awareness about the problem and encourage member states to monitor and deepen their understanding of the issue, exchange best practices and address the root causes of illicit trade.

“Trade opening, backed by solid governance frameworks and strong enforcement, can help us take a step forward in combatting illicit trade: with every step that the WTO takes to open and promote legal trade, it reduces the incentives for fraud and helps make illicit trade less lucrative. High import and export tariffs, onerous product regulations and the lack of uniform standards create incentives for circumvention and opportunities for criminals to engage in illicit trade. By promoting transparency, dialogue and the removal of trade barriers and unnecessary restrictions, the WTO has a key role to play in weeding out illicit trade, not least in the alcoholic beverages sector.”

Anabel González, Deputy Director General, WTO



HOW THE WTO CAN HELP FIGHT ILLICIT TRADE

- > Trade Policy Reviews could include a chapter on illicit trade to assess the importance of the problem, identify root causes & provide an incentive for member states to address it.
- > Reporting on the impact of regulation on illicit trade through WTO notifications could help raise awareness about the potential unintended consequences of regulatory measures on illicit trade.
- > Including an illicit trade angle in the TRIPS agreement would provide an additional opportunity to strengthen protection against counterfeiting.
- > Various aspects of the Trade Facilitation Agreement (TFA), such as transparency, automated entry

and payment of duties, can serve as effective measures to address corruption at customs and ports. The TFA's provisions on technical assistance & capacity building could support member states in their efforts against illicit trade, while the Trade Facilitation Committee could be a platform to exchange best practices & recommendations on how to tackle illicit trade. In addition, National Trade Facilitation Committees, with the private sector's participation, could encourage public & private stakeholders to discuss further measures against illicit trade adapted to the local context. barriers to services & investment, and illicit trade.

WSA session on Illicit Trade at the 2021 WTO Public Forum



Link to the session
(programme, recording
and report).

On 29 September 2021, WSA organised a session at the WTO Public Forum entitled '**Looking at WTO agreements and beyond to support business recovery. Can the WTO help to tackle illicit trade?**'



Taxation & illicit trade

Taxation, if set at levels not adequate for a given country & its average cost of living, can be a major driver of illicit alcohol. On the other hand, countries that impose a more moderate tax burden than their neighbours on legitimate alcoholic beverages are usually less affected by the rise of illicit alternatives.

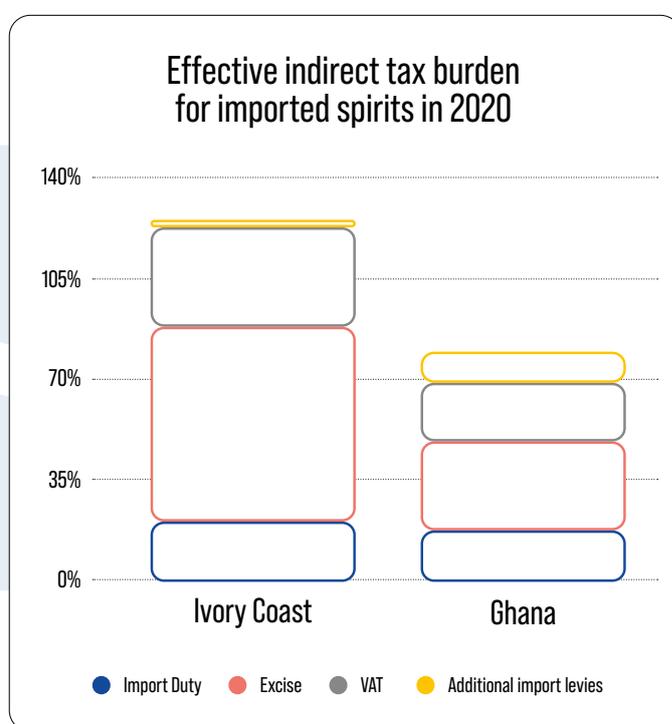


TAXATION & ILLICIT TRADE - IVORY COAST V. NEIGHBOURING COUNTRIES

The illicit trade of alcoholic beverages is a major issue in Côte d'Ivoire: estimations, based on off-trade 'secret shopper' industry studies, show that, on average 58% of the total alcohol consumption in the country concerns illicit product. Illicit products mainly consist of counterfeit and smuggled products introduced into the market via free trade zones (e.g. Port of Lomé in Togo) or by truck from Togo and Benin through the long and porous Ghanaian border avoiding paying any taxes, and of unregulated artisanal alcohol, e.g. palm wine.

Taxation is a major driver of illicit alcohol, and this link appears clearly when comparing Côte d'Ivoire with other comparable or neighbouring countries – not least Ghana, which has lower taxation rates for alcoholic beverages.

In 2020, the taxation level on imported spirits was 81% in Ghana compared with 124.29% in Ivory Coast. The share of illicit alcohol volume was also estimated to be much lower in Ghana than in Côte d'Ivoire (45%, compared to up to 58% for Côte d'Ivoire).



Source: Calculations on the basis of official tax rates in 2020
Note: To enable direct comparison, all taxes were remodelled to represent the tax burden based on the CIF value. The figures for Ivory Coast integrate the 25% 'surtax' applying to imported alcoholic beverages.

How can industry contribute to the fight against illicit trade?

The most efficient way to tackle illicit trade is for the public and private sectors to work hand in hand. Industry can support public authorities in the following ways:

- > Through cooperation and intelligence-sharing with law enforcement and customs authorities. This can be supported by market-tracking & monitoring activities led by the private sector, such as those of the Alliance Against Counterfeit Spirits.
- > Through education & awareness campaigns for consumers and officials alike.
- > Through GIs and brand protection measures – including through technical innovation. These could include, depending on the market, authentication with markers or innovation in labelling & closures such as the use of "smart bottles". Industry can also support enforcement authorities through cooperation in relation to the chemical analysis of suspicious products.

Positive Case Studies of public-private cooperation through the AACS



> CASE N°1: SUCCESSFUL ENFORCEMENT OPERATION AT RETAIL LEVEL, LOMÉ, TOGO

Following an extensive market sweep performed in December 2020 in Adawleto market of Lomé, AACS investigators reported a list of stalls identified selling counterfeit spirits to the Togolese Gendarmerie. All reported stalls were reinspected by AACS together with local authorities and over 1,1k counterfeit spirits bottles were seized and destroyed. Close collaboration between AACS and Togolese authorities in this case enabled to further investigate counterfeit supply chain in the market.

> CASE N°2: TYPICAL ONLINE-TO-OFFLINE (O2O) INVESTIGATION IN CHINA

During their day-to-day monitoring activities, AACS investigators in China identified an online seller offering spirits at very low price. Test purchases of multiple products of various brands were organized and confirmed the counterfeited nature of the products. Moreover, AACS vendor noticed from the shipping cartons the batch of samples were shipped from Tonghua, Jilin Province. The team went to the city, tracked, and after some time finally identified the target's related assembling facility. Over 3k bottles of various AACS brands were found and seized along with almost 15k counterfeit dry goods elements.





> CASE N°3: SUCCESSFUL CROSS BORDER INVESTIGATION

Working with the Guardia Civil AACS was able to close down a multi-national criminal network that had been producing and distributing counterfeit whisky in Spain.

The first base of the operation was in Ciudad Real, and was run by an Chinese businessman who imported fake tax stamps, counterfeit glass bottles, labels and caps from China. The alcoholic mixture was prepared and bottled in a facility in La Rioja. The bottles were then sent back to Ciudad Real where the labels and seals were added ready for distribution.

Fourteen people were arrested during the enforcement action. **More than 300k whisky bottles, 171k fake tax stamps, and 27k cardboard boxes were seized in the raid.** The Authorities also collected 10k litres of alcohol, 11k litres of 'whisky' ready to be bottled and 36k full bottles awaiting shipment.



Counterfeiting of GI-protected products

Aside from specific brands, counterfeiters also produce fake copies of geographical indications. In countries where the specifications of geographical indications (GIs) are recognised and protected, cooperation between GI holders and enforcement authorities has led to positive results in terms of detection & removal/destruction of counterfeits.

Chengdu International Fair: upon notification by Cognac association BNIC, local authorities conducted 5 raids resulting in the seizure & subsequent destruction of counterfeit Cognac.



USEFUL REFERENCES

Illicit alcohol

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Illicit Trade

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- > UNCTAD Dialogue on Illicit Trade & the Sustainable Development Goals, 2019: <https://unctad.org/meeting/dialogue-illicit-trade-and-sustainable-development-goals>
- > UNCTAD Illicit Trade Forum:
 - 2020 edition: <https://unctad.org/meeting/unctad-illicit-trade-forum>
 - 2022 edition: <https://unctad.org/meeting/unctad-illicit-trade-forum-0>
- > Ministerial Declaration of the Group of 77 and China to UNCTAD XV, October 2021: https://unctad.org/system/files/official-document/td522_en.pdf
- > WCO Illicit Trade reports (annual): <http://www.wcoomd.org/en/topics/enforcement-and-compliance/resources/publications.aspx>
- > UNODC-WCO Container Control Programme: https://unctad.org/system/files/non-official-document/DITC2019_Dialogue_ppt_KetilOtterson.pdf

The World Spirits Alliance represents the views and interests of the spirits sector at global level. It provides a forum allowing the global spirits community to discuss issues of common interest, to exchange best practices and to foster responsible and collaborative relationships with governments and international organisations.

Our members engage in open dialogue with stakeholders and strive to make a constructive contribution to global economic growth and development.

The World Spirits Alliance and its members are committed to responsible production, advertising, and marketing practices and to encouraging adults who choose to consume spirits to do so responsibly and in moderation.



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