



Government of the Republic of Trinidad and Tobago

**Ministry of Trade and Industry**

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# *National Action Plan to Combat Illicit Trade in Consumer Goods in Trinidad & Tobago*

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PRESS CONFERENCE

SENATOR THE HONOURABLE PAULA GOPEE-SCOON,  
MINISTER OF TRADE AND INDUSTRY

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## Salutations:

- Mr. Gary Joseph, Permanent Secretary, Ministry of National Security,
- Ms. Ayleen Alleyne-Ovid, Acting Permanent Secretary, Ministry of Trade and Industry,
- Members of the Media,
- Ladies and Gentlemen.

Today I am pleased to inform of the National Action Plan to Combat Illicit Trade in Consumer Goods in Trinidad and Tobago, which was approved by Cabinet last week. The Government in its *Road Map for Trinidad and Tobago: Transforming to a New Economy and a New Society* identified combatting illicit trade as a one of the issues which must be addressed to facilitate the growth and transformation of the manufacturing sector. The Plan however will extend to cover illegal trade in consumer goods – alcohol, tobacco, cleaning agents and pharmaceuticals in the first instance.

To clarify, when we widely speak of illicit trade, this includes a variety of illegal trading activities such as trade in goods, animals and wildlife, weapons and persons and can take many forms, such as smuggling of excisable goods, contraband (goods which have been imported or exported illegally), counterfeiting (fake or unauthorized replicas of a real product), adulteration of products (mixing of food or drugs with matter of an inferior and sometimes harmful quality), piracy and tax evasion.

More specific to our remit, illicit trade is undermining the concept of a free and open marketplace in Trinidad and Tobago. The challenges faced by our manufacturers and importers are serious and relate to loss of sales, market share and valuable profits, as a result of cheaper counterfeit goods. Furthermore, it is noted that illicit trade and the presence of sub-standard goods on the market can affect the health and safety our consumers and also but very importantly result in the loss of government revenue as a result of tax evasion.

I wish to point out that this issue is not specific to Trinidad and Tobago, as it is a global phenomenon. The United Nations Conference on Trade and Development (UNCTAD) estimates that the global economy loses more than US\$ 2 trillion annually due illicit trade activity. As a result, illicit trade has become the focus of many governments, international organizations, companies and non-governmental organizations worldwide with the commissioning of a Global Illicit Trade Environment Index by Transnational Alliance to Combat Illicit Trade (TRACIT) in 2018 and the convening of the first ever Illicit Trade Forum in 2020.

In the most recent 2018 Global Illicit Trade Environment Index, Trinidad and Tobago ranked 75th out of 84 economies in the overall Global Illicit Trade Environment Index, recording weaknesses in a number of areas.

As such, Trinidad and Tobago's National Action Plan was modelled against the categories of the Index and measures were developed based on the key findings specific to our country.

## **National Action Plan to Combat Illicit Trade in Consumer Goods in Trinidad and Tobago**

The National Action Plan prescribes a holistic and coordinated approach to addressing illicit trade. It was developed by the Ministry of Trade and Industry through research on country best practices of the United Kingdom and the United States, experiences of other developing countries such as Kenya and Malaysia, as well as local stakeholder consultations with key regulatory and enforcement agencies and very importantly, the private sector.

The Action Plan will be implemented over a one (1) year period commencing in May 2021 and comprise a comprehensive suite of twenty-six measures aimed at achieving five broad objectives:

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

Let me enlighten you on some of the specific measures included in the Action Plan:

### **Objective IV: Promoting public-private partnerships towards fighting illicit trade**

This objective focuses on the formalization of a public-private partnership to implement the National Action Plan. It will take into consideration all existing measures including private sector-driven initiatives and will streamline all efforts to maximize impact. This will act as the driving force behind Trinidad and Tobago's fight against illicit trade.

Towards this end, Cabinet has approved the establishment of an Anti-Illicit Trade Task Force (AITTF) which will comprise ten (10) public sector Ministries/Agencies, one (1) non-governmental organization and two (2) private sector organization as follows:

#### Ministries/Agencies

- Customs and Excise Division, Ministry of Finance;
- Financial Intelligence Unit, Ministry of Finance;
- Intellectual Property Office, Office of the Attorney General and Legal Affairs;
- Ministry of Agriculture, Land and Fisheries;
- Ministry of National Security;
- Ministry of Trade and Industry;
- Tobacco Control Unit, Ministry of Health;
- Trinidad and Tobago Bureau of Standards;
- Trinidad and Tobago Police Service;
- Chemistry Food and Drugs Division;

#### Non-governmental organization

- Crime Stoppers Trinidad and Tobago

### Private sector organizations

- Trinidad and Tobago Manufacturers' Association; and
- Trinidad and Tobago Chamber of Industry and Commerce.

Notwithstanding the previously mentioned organizations, I want to indicate that the Task Force will co-opt Members and subject-matter experts as required, including but not limited to local companies, the Bankers Association of Trinidad and Tobago, Downtown Owners and Merchants Association; the Customs' Clerks and Brokers Association, academia, Port Authority of Trinidad and Tobago and the Shipping Association of Trinidad and Tobago, as well as AMCHAM T&T. These Members may be called upon to be a part of targeted Working Groups.

The AITTF will be Co-chaired by the Permanent Secretaries of the Ministry of Trade and Industry and the Ministry of National Security and will have responsibility for providing strategic direction to the AITTF, building consensus, driving the coordinated action, monitoring and reporting against outcomes.

It is expected that this appointed team with clear governance and accountability, empowered to facilitate and coordinate partners as necessary will deliver strategic outcomes, assist with providing a macro view of the local illicit trade landscape and improve chances of effectively addressing the issue.

### **Strengthening the legal framework to combat illicit trade**

Another facet where action will be undertaken is the strengthening of the legal framework to combat illicit trade. The Task Force will undertake a series of activities, including:

- i. A review of existing pieces of legislation to ensure that illicit trade activities are effectively defined and addressed, including examination of the definition of terms, list of offences and fines and penalties under the respective pieces of legislation and make recommendations for consideration by the Legislative Review Committee and Cabinet;
- ii. Measures to reduce corruption associated with illicit trade, such as bribery of officials along the supply chain;
- iii. Adoption of international treaties related to mitigating illicit trade;
- iv. Measures to combat money laundering through close collaborations with the Financial Intelligence Unit;
- v. Review of current tax regimes of products susceptible to illicit trade to ensure that they do not incentivize the activity; and
- vi. Review of draft legislation for the establishment of Special Economic Zones in Trinidad and Tobago, with specific focus on illicit trade and enhancing transparency in these Zones.

A major shortcoming which will be addressed is the establishment of a national mechanism for the collection and dissemination of data on illicit trade. The availability of information about the trends, practices and actors conducting illicit trade will be critical for the formulation of effective governance responses.

### **Strengthening the capacity of Ministries and enforcement agencies to combat illicit trade**

To better assess and detect acts of illicit trade, capacity-building initiatives will be undertaken with the Trinidad and Tobago Police Service (TTPS), the Customs and Excise Division along with the development of useful tools for enforcement agencies.

Some of the measures to be pursued include the development of a Reference Pricing System and Customs Recordal System for Intellectual Property Rights (IPR) for use by the Customs and Excise Division. The reference pricing system will estimate the minimum reference price at which specific goods can be imported into Trinidad and Tobago to assist with detecting possible under-invoicing of goods. The Customs Recordal System for IPR will equip the Customs and Excise Division with information to assist with enforcement and seizures at the borders by providing customs officers with key information such as IPR holders, contact details, authorized shippers, distinguishing features of genuine goods and packaging information.

Heightened market surveillance will also be a key area of activity.

I want to give assurances that strategic collaborations will be maintained between the Task Force and Trinidad and Tobago's National Trade Facilitation Committee to ensure that measures to address illicit trade do not counteract the objectives of trade facilitation.

### **Enhance collaboration among regulatory and enforcement agencies**

The Government recognizes that to effectively tackle this issue, our regulatory and enforcement agencies must enhance collaboration and be as cooperative as the illicit networks which we are trying to stop. As such, inter-agency collaboration will be strengthened through the signing of Memoranda of Understanding amongst agencies of the Task Force and the establishment of a mechanism for communication of information on possible illicit activity in real time.

We also intend to be a proponent for the development of a regional approach to combatting illicit trade. The Task Force will make proposals to CARICOM for the establishment of a Regional Mechanism to share information and track and trace goods with specific focus on key transshipment points within the region.

### **Increase public awareness of illicit trade and the associated dangers**

Recognizing the important role that consumers can play in driving the demand for illegal goods, a nationwide Awareness Campaign led by the Consumer Affairs Division of the Ministry of Trade and Industry will be undertaken. The Campaign will be aimed at improving consumer identification of illegal goods and building awareness of the impact of illicit trade on all players in the economy, including its impact on our local businesses and potential health risks to consumers themselves. I invite you, the media to join us in this cause.

This Government will be adopting a zero tolerance approach to illicit trade and therefore with immediate effect will move to appoint the Anti-Illicit Trade Task Force and commence implementation of the National Action Plan to Combat Illicit Trade in Consumer Goods.

### **Conclusion**

In closing, I wish to reiterate the Government's commitment to addressing illicit trade in Trinidad and Tobago through a collaborative and joint approach with the private sector.

It is expected that through the implementation of the National Action Plan, Trinidad and Tobago will see an improvement in the ability of our enforcement agencies to detect and prevent illicit trade, a reduction in the presence of illegal goods on the market, all supported by a strengthened legal framework and more informed consumers.

The Government will continue to implement measures such as these to facilitate and support the development of a dynamic manufacturing sector.

I thank you.