



Illegal Trade and Contraband: Global Threats to Economies and Markets

El Observatorio del Comercio Ilícito,
La Cámara Nacional de Comercio, Servicios y Turismo (CNC)

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Bad Actors and Threat Networks

Growing and Emerging Threats to National and Global Security (Webs of Corruption and Criminality)

- * Kleptocracy and Complicit Corruption Officials
- * Criminal Entrepreneurs, Cartels, and Criminal Syndicates, Gangs
- * Terrorists and Criminal Insurgencies
- * Virtual Threat, Cyber Bandits, On-Line Illicit Markets, Dark Web
- * Dirty Money: Super Fixers, Professional Service Facilitators, Safe Havens

CONVERGENCE



Staggering Size of Illicit Economies/Illicit Markets: **+8-15%** of **World's GDP** (\$75.5 trillion, 2016, The World Bank)



The Global Threat of the Illegal Trade

The Retail Value of Transnational Crime

Counterfeiting		\$923 billion to \$1.13 trillion
Drug Trafficking		\$426 billion to \$652 billion
Illegal Logging		\$52 billion to \$157 billion
Human Trafficking		\$150.2 billion
Illegal Mining		\$12 billion to \$48 billion
IUU Fishing		\$15.5 billion to \$36.4 billion
Illegal Wildlife Trade		\$5 billion to \$23 billion
Crude Oil Theft		\$5.2 billion to \$11.9 billion
Small Arms & Light Weapons Trafficking		\$1.7 billion to \$3.5 billion
Organ Trafficking		\$840 million to \$1.7 billion
Trafficking in Cultural Property		\$1.2 billion to \$1.6 billion
Total		\$1.6 trillion to \$2.2 trillion

Estimated Global Illegal Trade, Corruption and Illicit Markets

CRIMES	Estimated Annual Dollar Value
Money Laundering	At least \$2.6 trillion (between 2 and 5 percent of world GDP)
Transnational Crime	\$1.6 trillion to \$2.2 trillion
Bribery	Significant portion of \$1 trillion
Narcotics Trafficking	\$750 billion to \$1 trillion
Counterfeited and Pirated Products	\$500 billion to \$1 trillion
Environmental Crime (illegal wildlife trade, logging, IUU Fishing, trade in CFCs, and toxic waste)	\$91 billion to \$258 billion
Human Trafficking/Modern Slavery	Up to \$150 billion
Illegal Tobacco	\$40 to \$50 billion
Illegal Mining	\$12 to \$48 billion

OECD Task Force on Countering Illicit Trade

Mapping Illicit Trade

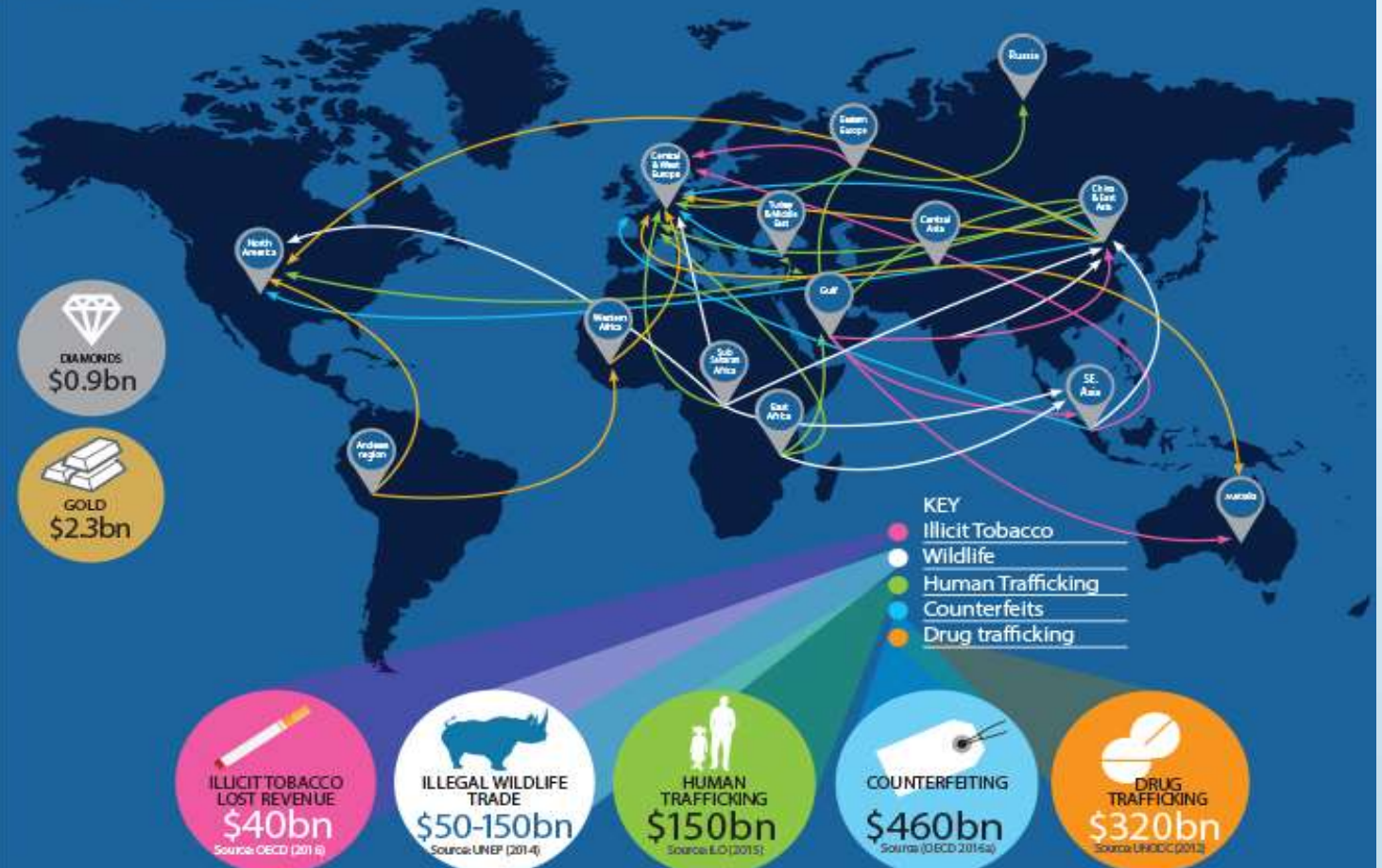
Global illicit markets thrive in the shadows of the global economy. Due to the clandestine nature of illicit transactions, the profits from illicit trade are hard to estimate. Data is accessed through seizures, law enforcement data and cross-comparisons with parallel legal markets.

A global Challenge

While the profits are hard to quantify, the harmful impacts on consumers, the environment, tax revenues and jobs are apparent in all societies. Traffic areas such as humans and narcotics exact a very heavy toll on societies. Illicit trade is also linked to criminal violence and even the financing of terrorism. Illicit trade can cause longer-term damage to the rule of law, public trust, human capital and public health, as well as deter foreign investment due to its close linkages with corruption.

For more information on the OECD Task Force on Countering Illicit Trade, and to read the full 2016 Report: Converging Criminal Networks, click [here](#).

Examples of common source and destination regions for illicit trade



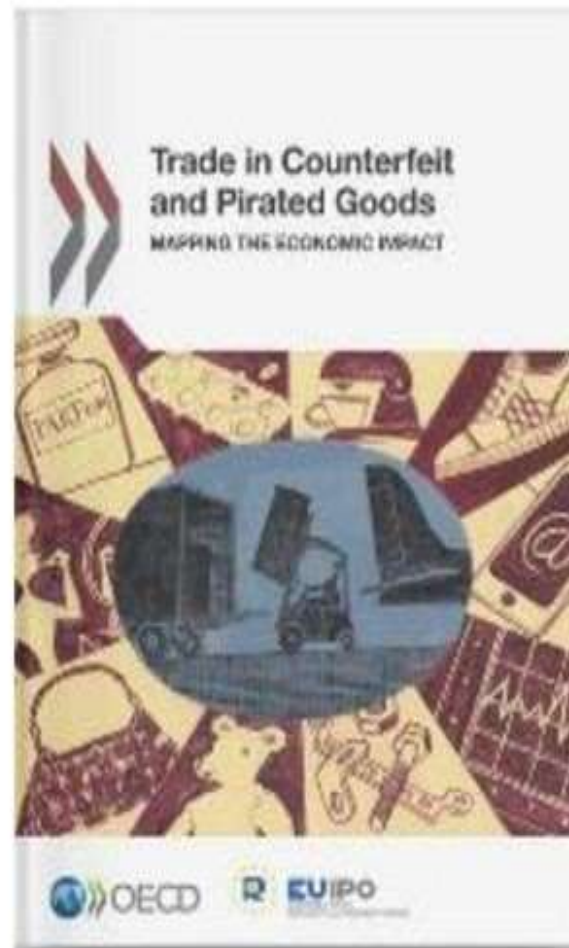
OECD Mapping: Illicit Drugs



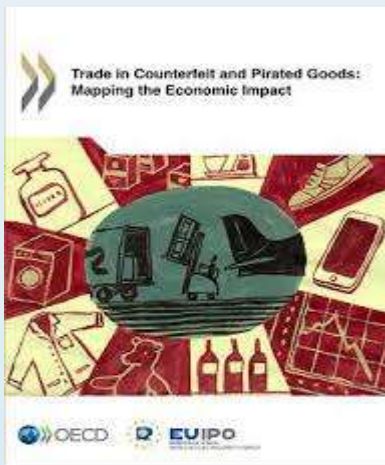
Convergence: Threat Multiplier



OECD –EUIPO: Charting Counterfeits



- Global trade in cross-border counterfeits – **\$461 Billion USD** in 2013
- **80% rise** in counterfeiting between 2008 and 2013
- **2.5%** of total global trade value
- All categories of product are faked – shampoos, food, medicines, toys, electrical
- China is the main source of fakes imported to EU

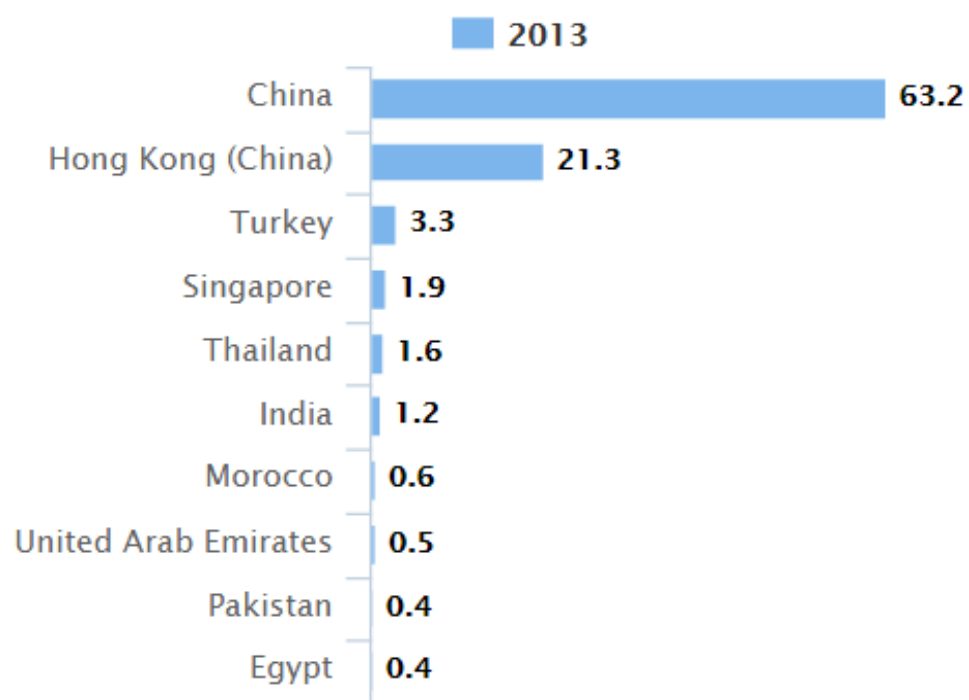


Mapping the Impact: Fakes



Where most fake goods originate

Top provenance economies of fakes, as % of total seizures (2013)

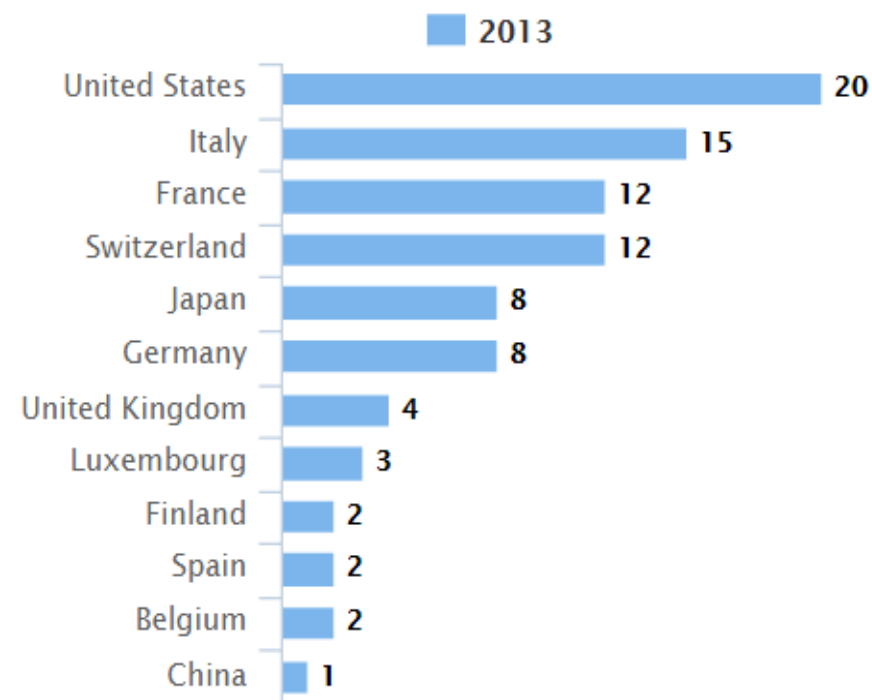


Data Source: [Trade in Counterfeit and Pirated Goods: Mapping the Economic Impact](#)

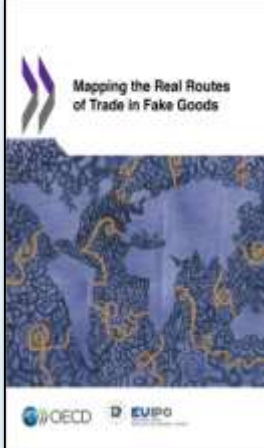


Countries hit hardest by trade in fake goods

Top countries whose IP rights are infringed, % total value of seizures (2013)

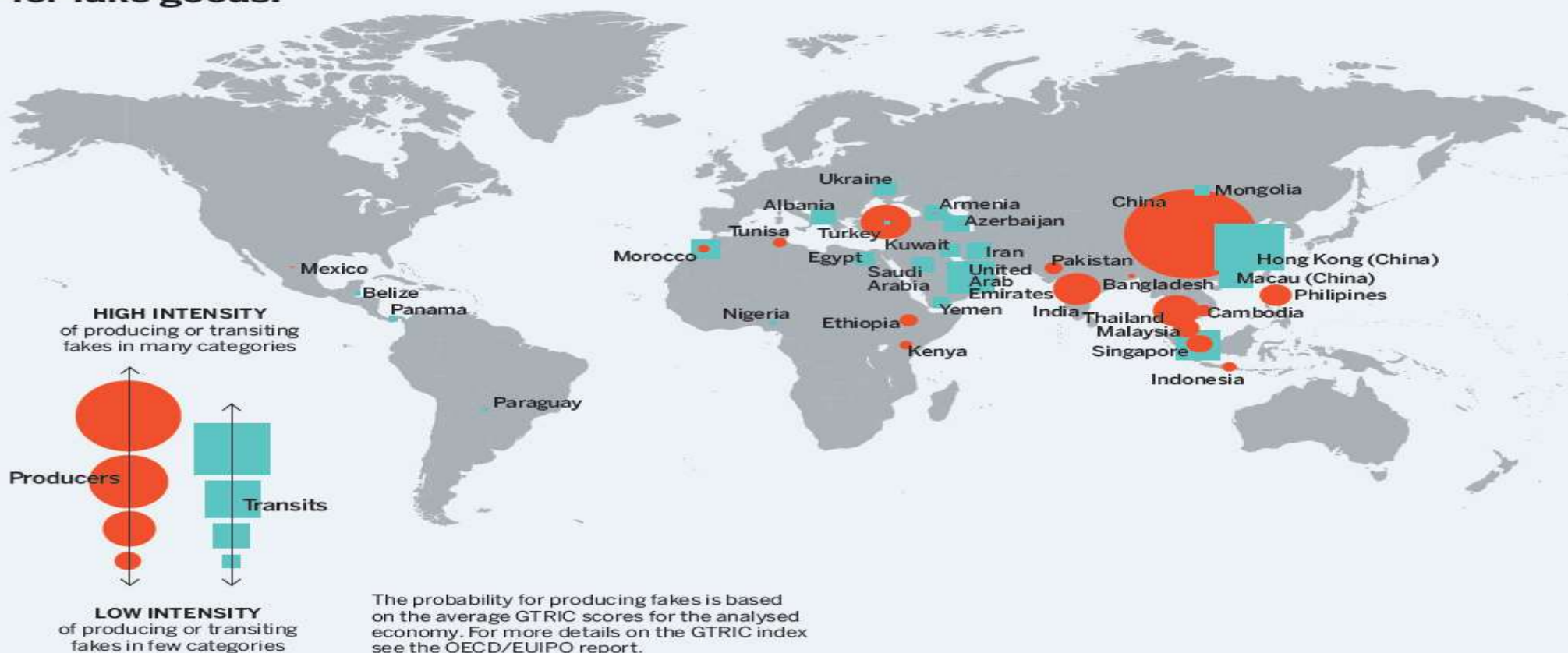


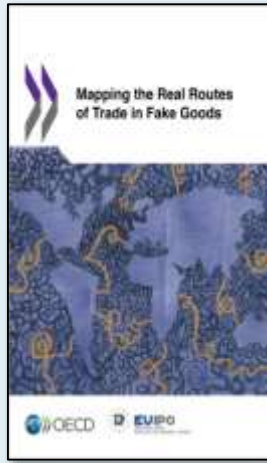
Data Source: [Trade in Counterfeit and Pirated Goods: Mapping the Economic Impact](#)



Mapping Illicit Routes: Fakes

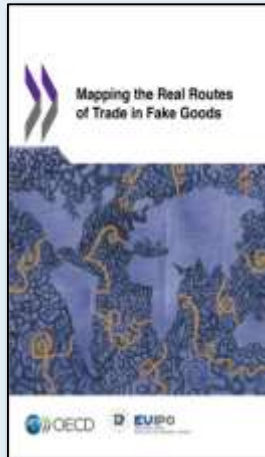
Main **producers** and **transit** points for fake goods.



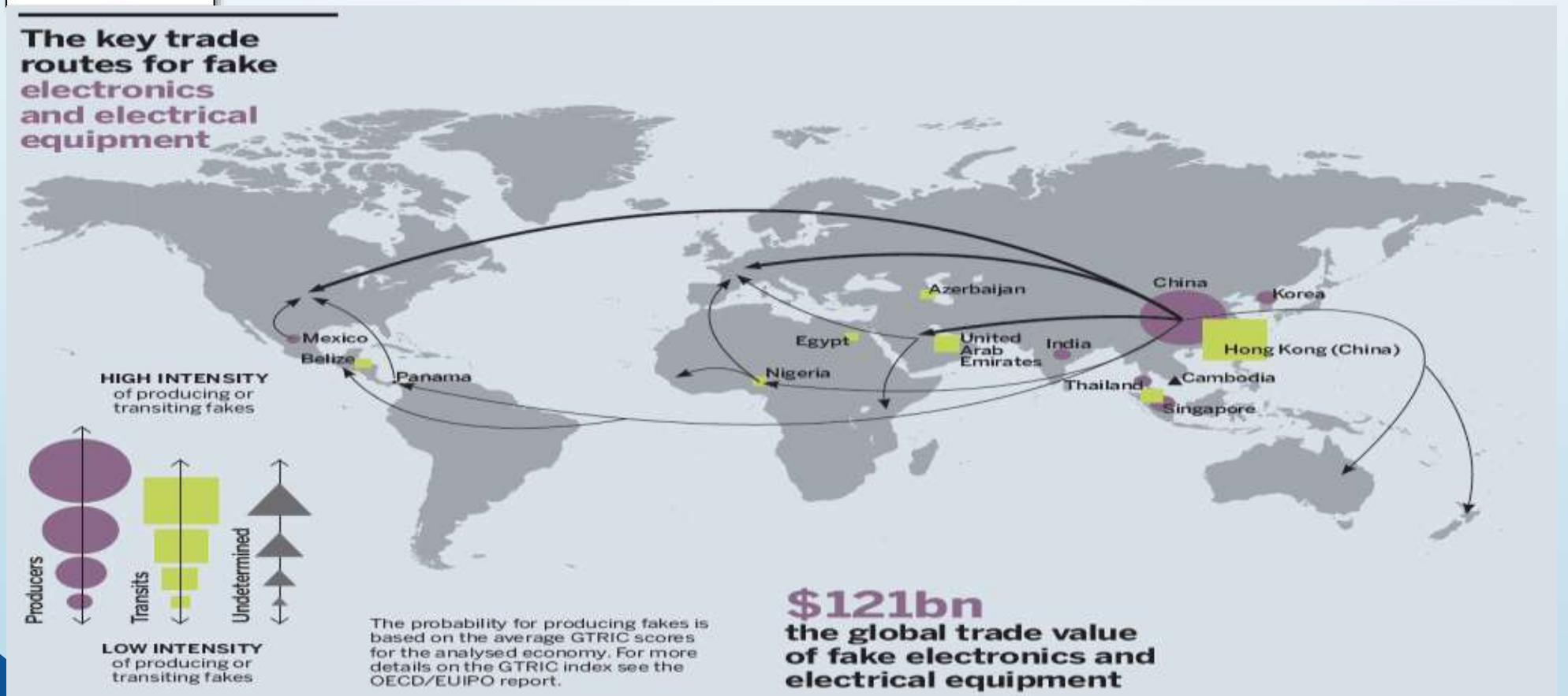


Complex trade routes





Complex trade routes



Economic Impacts of Counterfeits and Piracy

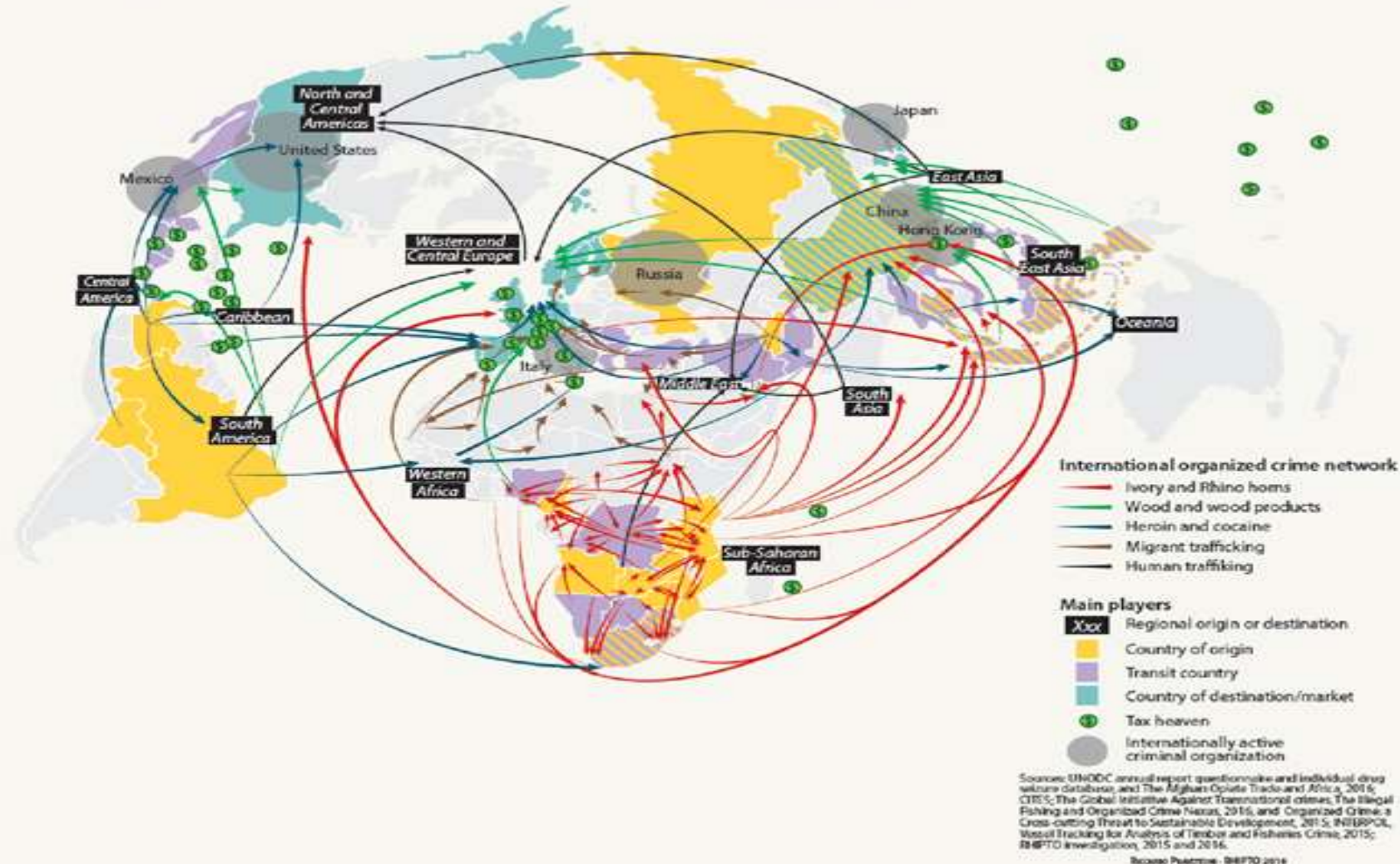
THE ECONOMIC IMPACTS OF COUNTERFEITING AND PIRACY

	2013	2022 (forecast)
 Value of counterfeit and pirated goods.	US \$1.13 trillion €882.6 billion	US \$2.81 trillion €2,194.7 billion
 Displacement of legitimate economic activity.	US \$597 billion €449.6 billion	US \$1,244 billion €936.8 billion
 Wider economic and social costs.	US \$898 billion €676.2 billion	US \$1,870 billion €1,408.2 billion
 Employment losses.	2.6 million	5.4 million

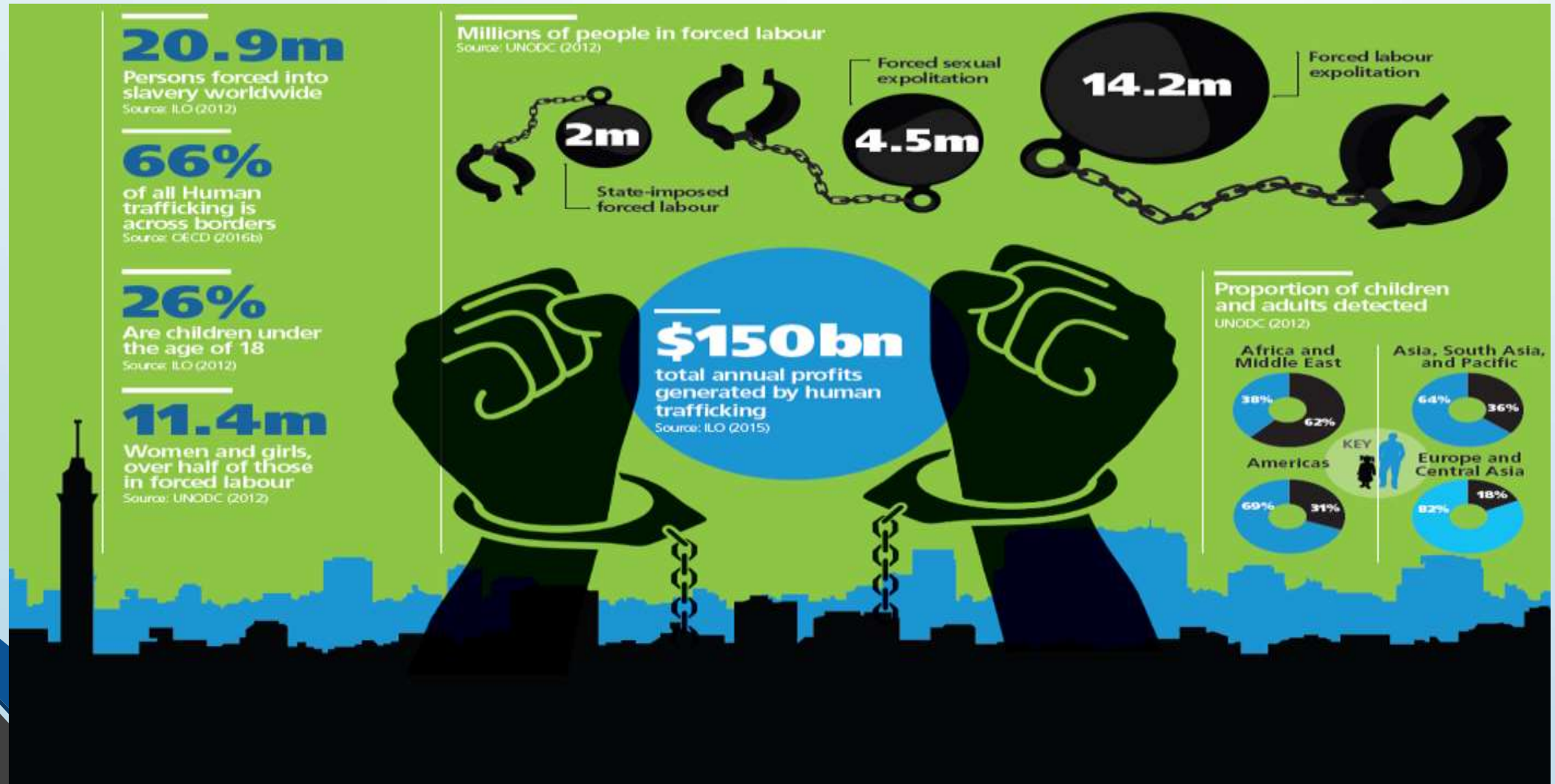
Source: The Economic Impacts Of Counterfeiting And Piracy, A Report prepared for BASCAP and INTA by Frontier Economics. All figures reflected here have been provided by Frontier Economics.

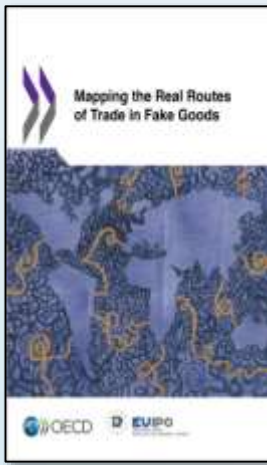
Environmental Crime: \$91-\$258 billion annually

The rising transnational environmental crime smuggling networks



HUMAN TRAFFICKING: \$150 BILLION

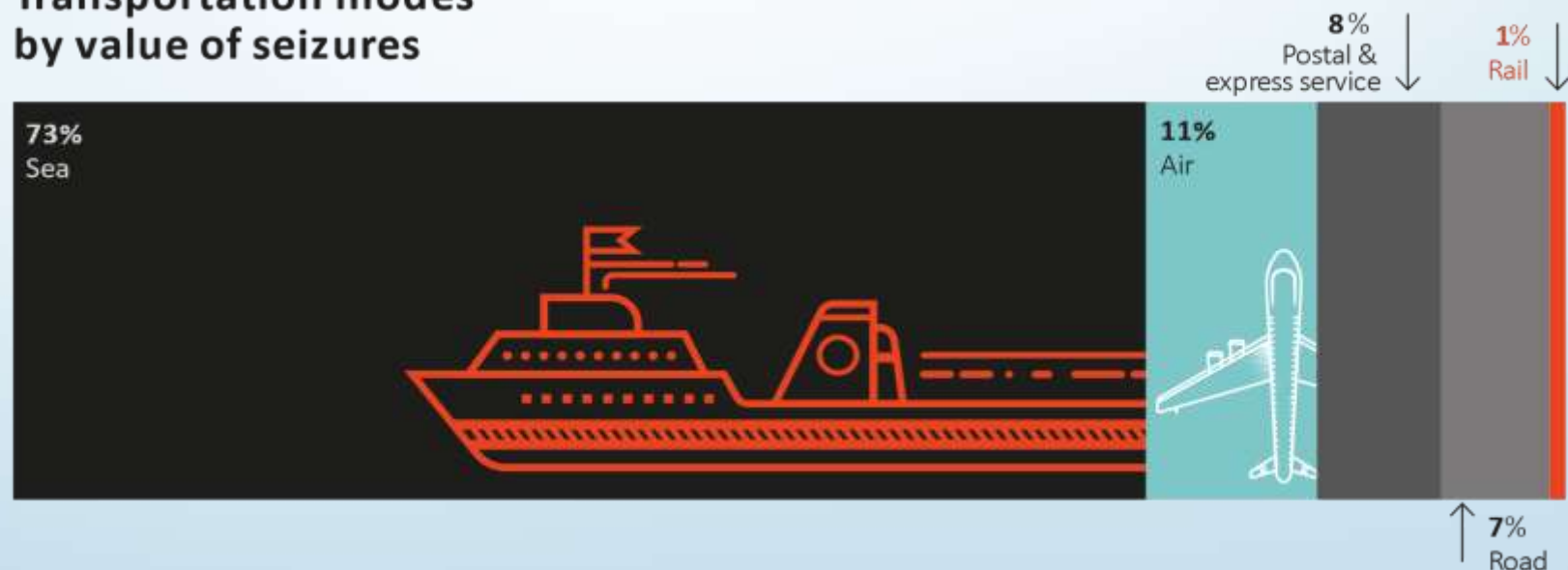




Evidence-Based Data is Critical

63%
of all seized fakes
were shipped by
postal & express
services. Growing
challenge for law
enforcement!

Transportation modes by value of seizures



THE VULNERABILITIES OF FTZS



Global Movement of Ships: 2012



[90% of all goods moved across the world by ships]

Ship.org: Container (e.g. manufactured goods): **yellow**; Dry bulk (e.g. coal, aggregates): **blue**; Tanker (e.g. oil, chemicals): **red**; Gas bulk (e.g. liquefied natural gas): **green**; Vehicles (e.g. cars): **purple** [Kiln Map, Business Insider]





Learn more about LGN: <https://lunaglobalnetworks.com/>



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