



**NOUS INVESTIGATIVE
SOLUTIONS**

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**NOUS
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Intelligence Brief: Thailand's Illicit Trade Landscape

The European Association for Business and Commerce (EABC) published a position paper on its website in February 2026 to combat the escalating threat of illicit trade, which has become a structural, network-based problem infiltrating industries closely connected to daily life. Serving as an evidence-based resource for government policy decision-making, the paper aims to advocate for transparent, predictable, and consistently enforced regulations. The paper notes that illicit trade in Thailand primarily manifests as counterfeit goods, smuggled products, and duty evasion. According to the 2025 Illicit Trade Index, Thailand ranks 56th out of 158 countries globally, indicating significant exposure to illicit trade in global supply chains. The overarching impacts are severe:

- **Economic:** Illicit goods are sold at artificially low prices, distorting market competition and forcing legitimate businesses onto an unfair playing field. Consequently, the government suffers significant tax revenue losses, constraining fiscal space for public infrastructure and education.
- **Security:** The supply chains for these goods are frequently intertwined with violent crime, money laundering, and corruption. This systemic evasion of law enforcement erodes public trust in state institutions and the justice system.
- **Public Health:** The continuous influx of substandard products directly compromises consumer safety, creating preventable illnesses and placing an unnecessary burden on the national healthcare system.

The EABC highlights five key industries deeply impacted by illicit trade.

Sector	Estimated Scale & Impact	Key Issues	EABC Proposed Solutions
Tobacco	Illicit cigarettes captured 28.1% of the market in Q1 2025. This caused estimated total damage to the government and industry of at least 31 billion THB in 2025.	Legal cigarettes are 2-3 times more expensive than illicit cigarettes due to high excise taxes, driving consumers to smuggled goods.	Revisit tax rates to reflect consumer purchasing power; enhance customs surveillance to stop cross-border transshipment.
Alcoholic Beverages	This results in an annual government revenue loss of no less than 4.4 billion THB (as of 2024).	Smuggling is highly facilitated by porous land borders and ATIGA duty exemptions, which allow goods to bypass inspections.	Restructure liquor taxation; significantly increase border inspections; and conduct consumer education campaigns on the

			dangers of fake alcohol.
Pharmaceuticals	The Thai market was valued at ~240 billion THB in 2022. Globally, an estimated 10% of medicines in middle-income countries are counterfeit.	The COVID-19 pandemic significantly accelerated the online sale of fake medicines, posing massive risks of chemical poisoning and antimicrobial resistance.	Enact dedicated e-pharmacy laws; implement AI screening tools on e-commerce platforms; and enhance international agency intelligence sharing.
Beauty Products	The global cosmetics industry loses an estimated \$5.4 billion USD annually to counterfeit goods.	Imitation luxury and cosmeceutical brands use dangerous chemicals (lead, mercury) and are widely sold via social media channels.	Increase criminal penalties for intellectual property infringement; mandate that e-commerce platforms utilize 'gating' detection systems.
Agricultural Inputs	The global illegal pesticide market is estimated to generate between \$8 to \$20 billion USD annually.	Counterfeit fertilizers degrade soil quality and leave harmful residues, while fake pesticides increase pest resistance.	Require online sellers to obtain Department of Agriculture licenses; promote 'Q Shop' safety certifications.

The EABC stresses that addressing illicit trade requires more than ad hoc crackdowns. It calls for robust "institutional investments," including track-and-trace systems, digital customs analysis at import checkpoints, and requiring online platforms to take responsibility for illicit products sold in their digital marketplaces.

A central theme across all compromised sectors is the weaponization of digital ecosystems. Following the COVID-19 pandemic, consumer reliance on e-commerce expanded rapidly. Criminal networks have capitalized on the low barriers to entry and lagging regulatory oversight inherent to these platforms. Whether it is counterfeit cosmetics on TikTok or untaxed tobacco on dedicated web fronts, the digital landscape has allowed illicit operators to bypass traditional retail barriers with ease.

While regulatory reform is needed, industries cannot wait for legislative shifts, as this could leave businesses vulnerable. In this regard, NOUS can provide the immediate intelligence and discreet operational support that legitimate businesses require to protect their assets today.

- Proactive Platform Monitoring & Investigation: NOUS can provide independent vigilance by actively monitoring e-commerce platforms and conducting deep-dive investigations to uncover the physical suppliers and manufacturing networks operating behind the digital storefronts.
- Strategic Government Collaboration: Leveraging over 20 years of investigative expertise and deep-rooted relationships across multiple industries, we support your engagements with government authorities.
- Discreet, Definitive Outcomes: Because a brand's reputation is inextricably linked to the perceived quality of its goods in the market, counterfeit crises must be handled with the utmost precision. NOUS operates with a highly structured, discreet process designed to disrupt illicit networks without generating negative public blowback for our clients.