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Global environmental crime epidemic fuels multi-billion dollar illicit economy

In a world where the black market for environmental goods thrives, a new report exposes the underbelly of global environmental crime, such as the illegal trafficking of abalone from South Africa. File Picture: Brenton Geach / Independent Newspapers

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A [recent report by the Global Initiative Against Transnational Organised Crime](#) has unveiled a staggering surge in environmental crimes, threatening not only the planet's ecosystems but also the livelihoods of local communities.

These crimes, ranging from illegal wildlife trade to unregulated fishing and the trafficking of rare timber and precious stones, are estimated to be worth between

\$110 billion and \$281 billion annually, positioning them among the most profitable illicit economies worldwide.

The report, titled Hidden in Plain Site, is written by Kristina Amerhauser and Robin Cartwright and looks at illicit financial flows (IFFs) related to three specific illicit environmental flows: timber trafficking from Myanmar to China; gemstone trafficking from Mozambique to Thailand; and [abalone trafficking from South Africa](#) to Hong Kong Special Administrative Region (SAR).

The study highlights the intricate and often violent networks behind these crimes, which have intensified over the past two decades due to political instability, urbanisation, and increasing consumer demand.

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These syndicates are adept at using corruption to facilitate their operations, which span across continents, the report finds.

In a shocking revelation, the report details how the internet and smart devices have revolutionised the illegal trade, allowing for a broader reach and more efficient transactions, often under the guise of legitimate business. This shift to digital has been partly spurred by the Covid-19 pandemic, which brought increased scrutiny to physical marketplaces.

Myanmar's Vanishing Forests

Myanmar's forests, particularly in Kachin State, have been decimated by illegal logging, driven by ceasefires with local militias and a voracious demand from China. Despite government crackdowns, illicit logging persists, moving into new regions as hardwood resources are depleted.

Mozambique's Ruby Rush

The discovery of vast ruby deposits in Mozambique has led to a frenzied influx of informal miners. Despite a large-scale mining operation dominating official exports, a significant portion of the rubies is smuggled out of the country, facilitated by corruption and the inability of miners to legally certify their finds.

The Cash Conundrum

The study also sheds light on the extensive informal economies in Mozambique, Myanmar, and South Africa, where cash remains the primary currency for illicit transactions. This preference for cash payments enables a wide array of bribery and corruption, from local police to armed groups imposing "taxes" on illegal operations.

Barter and Beyond

In a concerning trend, the report notes the use of barter systems, where illicit commodities are exchanged for other illegal goods, including drugs.

This practice is particularly prevalent in the abalone trade in South Africa, which is often swapped for narcotics or used to finance other criminal activities.

The Invisible Financial Web

The research notes the critical role of informal value transfer systems like hundi and hawala in moving money for environmental crimes, especially in countries like Myanmar, which has been blacklisted by global financial watchdogs.

Mis-invoicing and trade mispricing are common tactics used to launder money and evade taxes, further complicating efforts to combat these crimes.

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The findings highlight the urgent need for enhanced financial investigations and anti-money-laundering measures to tackle environmental crimes.

With the majority of profits made overseas, particularly in consumer countries, there is a pressing demand for international cooperation and stronger enforcement to disrupt these destructive supply chains and protect the world's natural heritage, the authors write.

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