



News Flash

Greece loses 1.7 billion euro annually from cigarette and fuel smuggling

24 February 2014 | G R Reporter

The annual profits of fuel and cigarette smugglers have been compensated by the government through the imposition of the extra and regular property tax or by the cuts in the regular and auxiliary pensions as reported by the Greek Ethnos newspaper. According to the authors of the article, the smuggling cost of every Greek household is over 500 euro per year. The total damage to the state due to fuel smuggling alone is to the amount of 1 billion euro per year and that from cigarette smuggling 700 million euro annually. In particular, the total amount of the damage to the state due to fuel smuggling, including the loss of income and taxes, amounts to 600 million euro. However, according to market players, it is 1 billion euro, including the alleged "export" of fuel, the exact amount of which is very difficult to calculate.

http://www.greporter.info/en/greece_loses_17_billion_euro_annually_cigarette_and_fuel_smuggling/10759#sthash.3L4FthZ.dpuf

Chair's Message



Anil Rajput,
Chair FICCI CASCADE,
Sr. VP Corporate Affairs, ITC Ltd

"FICCI CASCADE believes that increasing sensitization of industry and society at large about the menace of smuggling and counterfeiting is an essence of development. In view of the extensiveness of this problem, awareness generation is a key to eradicate this double-edged threat which is leading to widespread illegitimate business. This month, FICCI CASCADE worked on a two-pronged promotional endeavour: one, by strengthening the enforcement agencies with its Customs Training Programme in Mumbai and, two, by educating young minds with a Youth Programme in Jammu. We continue to move in the paradigm of curbing the menace of smuggling and counterfeiting, with your support".

FICCI CASCADE in News

Jammu Bulletin, Jammu, 22nd February 2014



Debate competition on 'Youth against Counterfeiting & Smuggling' organized

JR Correspondent
JAMMU, Feb 21: FICCI CASCADE (Committee Against Smuggling and Counterfeiting Activities Destroying the Economy) in association with Space Communications (H. Event, Sports and Film Show Management Company of J&K) organized a Debate Competition on the theme "Youth Against Counterfeiting and Smuggling" here today in Delhi Public School to increase awareness among youth to fight against the menace of counterfeiting and smuggling. The function was attended by eminent citizens including M.K. Ajmal Singh J., Shri. H.K. Lohan (Director SSG), Dr. Anil Wasbook (CEO SPACE Communications), Mr. S.S. Sodhi, Mr. Deep Chand, Mrs. D. Joseph (principal DPS Jammu), Students and Staff of DPS Jammu. On this occasion, Chief guest Mr. Naiti Ahmad Khan (Minister of State (Independent Charge) for Animal & Sheep Husbandry and PHE, Jammu & Kashmir, Horticulture, Agriculture & Floriculture in his inaugural address, invoked the spirit of nationalism to fight the evils caused by smuggling and counterfeiting among the youth. He acknowledged that the problem was huge and the end solution was the main solution. He said that consumers are duped because they are not receiving their money's worth. At the same time, the consumers end up having lesser schools, hospitals and other facilities because the government loses revenue due to counterfeiting and smuggling. Mr. Khan emphasized the public risk caused due to the ever-increasing criminalization of the society and black money being generated through these means. The tobacco sector continues to account for the highest revenue to the percentage loss to the government at over 80% and Jammu & Kashmir is no exception. Jammu & Kashmir is one of the fastest growing markets for illicitly-evaded cigarettes in the country. These locally manufactured, tax-evaded cigarettes have around 15% share of the total cigarette market and are continuously growing in Jammu & Kashmir. These cigarettes are particularly popular amongst youth as they are available at a significantly lower price than the legal cigarettes. It is an alarmingly large and well-organized business with some of India's largest manufacturers of illegal cigarettes based in neighboring states, supply over 30-40 million illegal tax-evaded cigarettes to the state every month. Shri H.K. Lohan (IPS) Director SSG emphasized on the role of society in fighting this menace. In his address, he said that people are always the biggest force of change and when they unite for a cause things do happen. Dr. Anil Wasbook, CEO SPACE Communications in his formal address said, "Youth of Jammu are vibrant and this is just the start of such Campaigns in Jammu. We as a event management company will be focusing on such kind of events for our youth in Jammu as such activities are the best modes of bringing change in the society". Consequently, the government suffers revenue loss of over Rs. 80 crore annually. Illegal cigarettes are sold in the market at one-fifth the price of legal brands, and this cost is borne of health of smokers of illegal cigarettes is incalculable. Illegal cigarettes pose a major health hazard to smokers because of the inferior manufacturing processes and the low quality of tobacco with high levels of tar and nicotine being used for such products. In Jammu & Kashmir, the state level tax on cigarettes is currently at 40% (VAT), which is significantly higher than the tax levied in all India average tax as well as in most of the neighboring states of Jammu & Kashmir. Hence tax evasion due to interstate smuggling of cigarettes becomes an irritating and lucrative proposition in the state. Jammu & Kashmir is surrounded by many states and almost all these states have much lower cigarette VAT rate compared to Jammu & Kashmir. Tax disparity between Jammu & Kashmir and its neighboring states has led to a high price differential for legal cigarette brands, which has led to unprecedented smuggling/illicit trading from neighboring states into Jammu & Kashmir. The students expressed their thoughts vividly. The youth festival witnessed enthusiastic participation of almost 250 students who actively joined the fight against counterfeiting and smuggling. FICCI CASCADE encourages the Govt to take up this case and be a CASCADA. It is the youth of the country is an important force to fight the socio-economic menace and must take a pledge that they would not buy fake and smuggled goods.

Youth Against Smuggling and Counterfeiting Debate Competition

21 February, 2014, Jammu

FICCI CASCADE believes that sensitising the youth is the essence of development. With this objective, FICCI CASCADE organised a youth festival on the theme of Youth Against Counterfeiting and Smuggling at DPS, Jammu. The debate competition witnessed enthusiastic participation of students with their creative ideas to eliminate the hazards of counterfeiting and smuggling.

The youth festival was organized to energize the young minds to take up the fight against smuggling and counterfeiting. The magnitude of counterfeiting and smuggling worldwide is several hundred billion dollars. There is an urgent need to take actions against this illicit business as it has linkage to criminal networks. Reports suggest that counterfeited and smuggled goods produced and distributed are often substandard and can even be dangerous, posing health and safety risks that could be life-threatening.

On 21st February 2014, with an idea to gather support and spread the word among youth, CASCADE enlightened the students on the growing menace of smuggling and counterfeiting. Around 250 students took part to support the campaign with enormous interest and zeal, which not only motivated the students present but the entire city.

The youth festival was attended by eminent people from the state including Mr. M. K. Ajatshatru Singh, President, Rajput Charitable Trust, Mr. S. K. Lohia, Director, Special security Guards (SSG), Mr. S. S. Sodhi, Director, DPS, Dr. Amit Wanchoo, CEO, Space Communications, Mrs. D. Joseph, Principal, DPS and staff and students of the school.

Hon'ble Minister Mr. Nazir Ahmed Khan (Gurezi), Minister of State (Independent Charge) for Animal & Sheep Husbandry and PHE, Irrigation & Flood Control, Horticulture, Agriculture & Floriculture, Government of J&K, invoked the spirit of nationalism to fight the evils of smuggling and counterfeiting. He emphasised on the increase in the public health risk due to the flow of smuggled and counterfeit products in the market, besides the huge loss to the exchequer and thereby its affect on the growth of the economy. He acknowledged the existence of the problem in his state and thanked FICCI CASCADE for taking this initiative and driving the movement nationally.

Mr. Deep Chand, Advisor, FICCI CASCADE gave an overview on the growing menace of counterfeiting and smuggling and shared the magnitude of the problem. He observed the high rate of taxes was one reason which acted as an incentive for unscrupulous and anti-social elements to resort to such activities, creating a major threat to national safety. He urged the students to join hands in support of the cause and pledge to quit using fake products to fight smuggling and counterfeiting.

Mr. S. K. Lohia, Director, SSG emphasised on the important role that the society could play in fighting this menace. He said that people are always the biggest force of change and when they united for a cause, things happened. Mr. S. S. Sodhi, Director, DPS appreciated CASCADE's efforts and congratulated it for taking up such a vital cause to generate awareness. Highlighting few examples of such activities, he stated the problem of smuggling and counterfeiting was huge and it was time to address it concertedly. Dr. Amit Wanchoo, CEO, Space Communications, said that the youth of Jammu were vibrant and his organisation would be keen to work with CASCADE to curb the twin menace of smuggling and counterfeiting. He also emphasized that such initiatives were the best mode of bringing changes in the society.

FICCI CASCADE, as a dedicated forum to campaign against smuggling and counterfeiting, is endeavouring to address this critical issue. Among other things, FICCI CASCADE has been successful in grabbing the right nerve by empowering the young minds that represent our future, which has great potential to eliminate the menace of smuggling and counterfeiting.





Sudeshna Das
Corporate Communication
Manager, GS1 India

The author is Corporate Communication Manager in GS1 India.

GS1 India was set up by Ministry of Commerce and Industry, Government of India along with include FICCI, ASSOCHAM, CII, FIEO, IIP, BIS, APEDA, Spices Board, and IMC as a not-for-profit, independent standards body. As an affiliate of GS1 Global, GS1 India administers and allocates GS1 product identifiers for unique and universal identification of supply chain objects, i.e. - products, logistic items, trading partners, locations, documents, assets etc. and other GS1 Standards. www.gs1india.org

A Global Anti-counterfeit Tool For Customs

Cross-border movement of counterfeit goods has grown into a global menace compelling strong and sustained action from National Customs authorities across the world. Customs performs a vital function in the fiscal area, but by virtue of its presence at all cross border points covering land, sea and air borders, it is best positioned to monitor and curb this menace.

With an aim to fight this menace in order to protect the health and safety of consumers across the globe by providing Customs with best available technology tool for identification of counterfeit goods, the World Customs Organization (WCO)¹ and GS1² signed a Memorandum of Understanding. As a result of this cooperation, the Interface Public-Members (IPM), a global anti-counterfeit tool, has been developed.

The Interface Public-Members tool

IPM is an online and mobile application enabling right holders to provide Customs with real-time data on their products. Customs officers can access this information anywhere in the world via a simple and secure interface available in their national language.

GS1 standards for unique and universal product identification were incorporated in IPM to enable reliable and clear authentication of items thereby enhancing IPM's legitimacy as the global tool in the fight against counterfeiting and piracy. The globally unique product identifier embedded in the GS1 bar code facilitates access to multiple databases providing trusted sources of product information. The WCO has launched IPM Connected, a global network of track & trace and authentication solutions interfaced with IPM. Custom officials scan the barcode and if the product is secured by a track & trace or authentication solution, IPM automatically launches the application, allowing them to instantly verify the authenticity of the product. Around 3,000 Customs officials in more than 60 countries use this tool to easily verify authenticity of physical products. It also accelerates Customs clearance process.

"IPM's usefulness is now globally recognized by our private sector partners. Our cooperation with GS1 has enabled us to further develop IPM's functionalities making it even more accessible and reliable. IPM is undoubtedly an essential tool to help Customs officers distinguish between genuine and fake products." said Kunio Mikuriya., Secretary General, WCO

"With the GS1 System of Standards and our overall expertise in supply chain management, GS1 can help Customs agencies improve their capacity to detect counterfeit products. IPM's mobile version integrating GS1 bar codes and authentication services, gives brand owners from all sectors the opportunity to work directly with Customs to protect both their brand and consumers alike" " said Miguel Lopera, President and CEO, GS1 Global.

Indian scenario

According to a Financial Express report³, Indian Customs is developing a barcode-based system using GS1 standards to curb counterfeit import. It would connect Customs officials to several product identification databases and services with detailed and authentic product information through mobile scanning of GS1 barcodes on product packaging.

"India is deeply impacted by inflow of fake products into the country. No industry segment is spared of this menace, be it Information Technology, Pharmaceutical, Automotive, Music & Movies, Computer software or Consumer goods. It impacts the economy of the country, security and safety of consumers. Use of IPM tool by Indian Customs would go a long way in detection of fake products at the point of entry and will eventually help in eliminating their inflow in the country." opined Ravi Mathur, CEO, GS1 India.

¹ An international, intergovernmental organization dealing with Customs procedures and regulations, www.wcoomd.org

² A neutral, not-for-profit, global standard body, www.gs1.org

³ Barcode system to check fake products on the anvil, <http://www.financialexpress.com/news/barcode-system-to-check-fake-products-on-the-anvil/1191739>

Awareness through Art



Recent initiatives Contd...

Customs Training Programme

27th February, 2014, Mumbai

FICCI CASCADE conducted a training programme to sensitize the customs officers to detect and distinguish counterfeit products from the originals, in Mumbai on 27th February, 2014.

The aim was to exhibit samples of right holders/ brand owners and counterfeit/s to the customs officers and to give them technical training, i.e., methods by which the officers could detect and distinguish originals from counterfeits and help curb counterfeiting and smuggling.

Counterfeiting and smuggling has multi- faceted impact on the society, including hampering socioeconomic growth of the country as well as employment opportunities, foreign direct investment, and trade. It affects the rights' holders in terms of sales volume and prices, brand value and reputation of firms; it hampers the government's tax revenues, expenditures and fuels corruption in the country, but most importantly, it affects the consumer's health and safety.

Counterfeit and smuggled products are now being produced and consumed in virtually all economies. Counterfeiting and smuggling undermine innovation, which is a key to economic growth. Although, promising work has been done in a number of sectors to measure the extent of the problem, much more can and should be done.

Essentially, more effective enforcement is critical in this regard, as is the need to build public support to combat the counterfeiting and smuggling. According to a survey, the lack of information sharing is often perceived to be one of the main obstacles in the fight against counterfeiters and smugglers. This gap needs to be bridged. The Customs Training Programme organized by FICCI CASCADE trained the enforcement agency officers with the best techniques to distinguish the products. It was well attended by over 30 officers.

The magnitude of the problem of counterfeiting and smuggling is huge, which requires urgent action from the enforcement agencies.



International News

Top States for Cigarette Smuggling

February 18, 2014 | 247wallst.com

A very large number of cigarettes sold in the United States are smuggled in and out of states, presumably to avoid taxes on the product. People apparently are willing to break the law to avoid these taxes. In several states, the smuggling of cigarettes has become an epidemic, biting into a major source of revenue. In five states, smuggled cigarettes are a third above those sold legally.

<http://247wallst.com/economy/2014/02/18/top-states-for-cigarette-smuggling/>

Counterfeit trade US\$250 billion a year

25 February 2014 | [Islands Business](http://islandsbusiness.com)

'The counterfeit goods industry is so sophisticated that it is often impossible to distinguish between the real deal and the spurious pretender. It is also cunningly stratified to cater to different sizes of consumer pockets... This is a common occurrence in markets with poor governance structures, especially for goods of high value brands like Swiss watches'.

<http://www.islandsbusiness.com/2014/2/we-say/counterfeit-trade-us250-billion-a-year/>

Customs authorities fight cigarette smuggling

18.02.2014 | [Eubam](http://eubam.org)

Smuggling of cigarettes through the central sector of Moldovan - Ukrainian border was the most serious risks to border security on the Ukrainian-Moldovan border in 2013. To tackle this risk, representatives from customs and law enforcement agencies of Moldova and Ukraine got together at EUBAM headquarters for a Task Force Tobacco meeting. The aim of the meeting was to plan cooperative measures in fighting and preventing the illegal activity in the area of tobacco product smuggling.

<http://www.eubam.org/en/press/news/1754>

National News

LoC Trade: 19 persons facing smuggling charges

23 February 2014 | [Greater Jammu](http://greaterjammu.com)

Jammu, Feb 22: At least 19 persons have been booked for illegally smuggling contrabands from across the LoC using the trade route started between the divided parts of Kashmir in 2005. Police has registered six cases in this regard, the government told the Legislative Assembly on Thursday.

In his written response to a question by BJP's Chaman Lal Gupta the Government said three cases were registered in 2012 and two more cases have been registered in the first two months of this year.

<http://jammu.greaterkashmir.com/news/2014/Feb/23/loc-trade-19-persons-facing-smuggling-charges-35.asp>

Counterfeit clippings: news from around the world;

26 February 2014 | [Securing Industry](http://securingindustry.com)

Substandard medicine and fake corn, clothing, poker chips and washing powder feature in our round-up of recent counterfeiting incidents. A drug for inducing labour in pregnant women that was subject to a recall in India because it was substandard in quality has been discovered in government-run health clinics in neighbouring Nepal, according to an article in the Republica newspaper.

<http://www.securingindustry.com/cosmetics-and-personal-care/counterfeit-clippings-news-from-around-the-world/s106/a1979/>

Fake and Counterfeit Mobile Phones Sold Around the World

February 6, 2014 | [Havocscope](http://havocscope.com)

A report by the Mobile Manufacturers Forum reported that 125 million substandard and counterfeit mobile phones were sold around the world in 2011. In 2012, the number of counterfeit phones sold increased to 148 million units. The estimated amount for 2013 was projected to be 1.86 million units. Thus, up to 8 percent of all mobile devices sold worldwide in 2013 were substandard or counterfeits.

<http://www.havocscope.com/fake-and-counterfeit-mobile-phones-sold-around-the-world/>

Consumer Rally Fight against Counterfeiting and Smuggling

27 March, 2014, Jaipur

FICCI CASCADE as a part of its consumer awareness programme, to sensitize people on the subject of counterfeiting and smuggling is organising a consumer rally in Jaipur. CASCADE believes in the empowerment of consumers which can be achieved by undertaking a sustainable national

programme for generating and strengthening consumer awareness on the menace of counterfeiting and smuggling.

FICCI CASCADE is organising a Consumer Rally in Jaipur on the theme of Fight against Counterfeiting and Smuggling on 27th March, 2014 to sensitise and receive consumer support on the growing issue of counterfeiting and smuggling.

Roundtable on Smuggled and Counterfeit Food Products

March 2013, New Delhi

Smuggling and Counterfeiting is considered as one of the world's fastest growing 'industry'. It is an enduring problem that escalates each day in scope and magnitude and thus impacts industries, consumers, governments and economies. Smuggling and counterfeiting can have broad economy-wide effects on trade, foreign investment, employment, innovation, criminality, environment and most importantly on the health of the consumers.

The smuggled and counterfeit food products business is 'doing well' in our country affecting the health of our consumers. The magnitude and effects of smuggling and counterfeiting are of such significance that they compel strong and sustained action from the governments, business and consumers. With this in view FICCI CASCADE with the Ministry of Consumer Affairs has initiated the work of its Task Force to enhance knowledge support and learning on the subject and formulate prevention and management strategies.

Prize Distribution to the Winners of FICCI CASCADE Competition on Capturing Fakes & Smuggled

24th March, 2014, New Delhi

Winners of the FICCI CASCADE competition on capturing fakes & smuggled goods will be awarded by Shri. Atul Chaturvedi, Joint Secretary, **Department Of Industrial Policy & Promotion, Ministry of Commerce and Industry** on 24th March, 2014 at 3:00 pm at FICCI Federation House, New Delhi.

The competition witnessed enthusiastic participation of people with their creative ideas to help eliminate the hazards of counterfeiting and smuggling. The aim was to seek their support and empower them with the knowledge on the menace of counterfeiting and smuggling.

Contact Us

Kashifa Hasan

Research Associate, FICCI CASCADE
kashifa.hasan@ficci.com

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