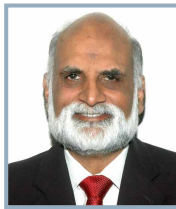


Committee Against Smuggling and Counterfeiting Activities Destroying the Economy



Chair's Message



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

FICCI CASCADE, through its various platforms, has been advocating the dangers of smuggling and counterfeiting activities. To fight this twin menace a solid enforcement regime is the major necessity. Enforcement agencies are the key players in fight against smuggling and counterfeiting. The level of awareness of officers and the quality of their training impacts the effectiveness in dealing with such activities. FICCI CASCADE has conducted training programmes for enforcement officials which has raised awareness on this growing menace and shared effective steps to arrest this growing evil in the society. ”

NEWS FLASH

Pakistan, India and Bangladesh: experts find cigarette tax structures complicated

January 18, 2015 | Business Recorder

All three regional countries (Pakistan, India and Bangladesh) have complicated excise tax structures - India levies excise duty based on the length of cigarettes, Bangladesh on the final price of cigarettes and Pakistan on the VAT exclusive price.

When contacted, Rajeev Cherukupalli, an economist at the Johns Hopkins Bloomberg School of Public Health gave regional comparison of excise tax structure on cigarettes. He told Business Recorder that Pakistan, India and Bangladesh still have complicated excise tax structures. Pakistan has some of the lowest cigarette prices in the world - even by adjusting purchasing power differences. The Philippines witnessed a similar situation for years, with four different tax slabs and a large economy whereas cigarette market carried very low excise duty. But they now have a roadmap in place, which will encompass all cigarettes carrying a uniform excise tax per pack by 2017, expert on tobacco sector added.

<http://www.brecorder.com/taxation/181/1143291/>

FICCI CASCADE in NEWS

Police Officers Training: Capacity Building Programme January 31, 2015 | Hindustan Times, Lucknow



Celebrating National Consumer Rights Week 2014

- Capacity Building Programme for Delhi Police Officials: December 22, 2014, New Delhi
- Youth for Consumer Rights - towards socially responsible citizens': December 23, 2014, New Delhi



Police officers attending training in New Delhi

Awareness and outreach are essential elements in building a proactive strategy to reinforce consumer rights. Keeping this in view FICCI CASCADE in association with the Department of Consumer Affairs recently commemorated the National Consumer Rights Week 2014 which is held during the last week of December every year. Every year National Consumer Rights Week is being celebrated in December to raise consumer awareness and protect consumer rights ensuring fair competition and free flow of truthful information in the market place. FICCI CASCADE over the years has been actively advocating fair business practices and has been generating awareness against malpractices of unfair trade such as counterfeiting and smuggling.

The celebrations this year was flagged off with a 'Capacity Building Programme' for Police Officials on 22 December, 2014 at the Rajender Nagar Police Station, New Delhi. Enforcement agencies, police and customs play a pivotal role in protection of consumer rights. There are adequate laws available but enforcement of the laws makes the role of police officers even more important in the fight against counterfeiters and smugglers. The training programme was organized with an objective of equipping the police officers to understand and take requisite action against counterfeiters and smugglers. Chief Guest at the programme was Dr. Karunakaran, DCP training, Delhi police congratulated FICCI CASCADE on this great initiative. In his address, he said that spreading awareness among the enforcement agencies to save consumers from the hazards of counterfeiting & smuggling was extremely essential. During the programme, participants from leading industries discussed the latest technologies to distinguish the original product from the

fake ones. The training programme was successfully attended by over 60 police officers from Sub Inspector to DCP level and provided a useful platform for the exchange of ideas and experiences in the enforcement of laws and practices while dealing with counterfeiters and smugglers.

While on one hand enforcement agencies such as the police play a fundamental role in protection of consumer rights, on the other hand, it is also the level of awareness amongst consumers which empowers them to know the alarming magnitude and seek discontinuance of unfair trade practices such as smuggling and counterfeiting.

India has a young population profile and is set to be the youngest country by 2020. Youth of India being the country's future, it becomes imperative for youngsters to understand the power of the consumers of tomorrow. With the youth becoming a key stakeholders for advocating socially responsible behavior, FICCI CASCADE believes that it is important to bring today's youth onboard the awareness campaign and through them influence the society as a whole. An idea planted in their minds can become an instrument of change. On the occasion of National Consumer Rights Week, FICCI CASCADE organized a youth festival - 'Youth for Consumer Rights - Towards Socially Responsible Citizens' on December 23, 2014 at the Indraprastha World School, New Delhi. The youth festival saw participation of over 200 students from various schools of Delhi. Along with song and dance performances on the subject 'Smuggling and Counterfeiting- A Menace', students enthusiastically participated in the interschool Elocution and Painting Competition themed: 'Youth Against Smuggling and Counterfeiting'. Through the competitions, not only did all witness the skills and creative abilities of the school children, but also saw the passion in them in making a change in the society by shunning fake products and saying no to smuggled goods.

To reiterate, awareness generation is extremely crucial in bringing change in attitudes from considering counterfeiting and smuggling activities as victimless crime to the realization that it causes grave risks, both social and economic. A pro-active and preventative approach and strategy is the need of the hour to curb the twin menace.



Youth celebrating National Consumer Rights Week

Enforcement Officers join hands with FICCI CASCADLE to fight the menace of Smuggling and Counterfeiting

- **Police Officers Training: Capacity Building Programme, January 30, 2015 - Lucknow**
- **Customs Training Programme, January 30, 2015 - Bengaluru**

The existence and operation of illicit markets has been an enduring problem that has escalated in scope and magnitude, impacting industries, consumers, government and economies as a whole. In fact, it is today one of the biggest challenges faced by Indian industry, impacting 'Brand India' globally. Intellectual Property is a tool to incentivize innovation and creativity to strengthen the economic growth of a nation. Enforcement agencies, the police and the customs, play a pivotal role in protection of these rights. There are adequate laws available, but it is the enforcement of these laws that makes the role of enforcement officers extremely important to fight against counterfeiters and smugglers.

FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (FICCI CASCADLE), in its endeavor to fight the twin menace over the years, has been sensitizing enforcement officers on this issue, equipping them to understand and take requisite action against counterfeiters and smugglers. On January 30, 2015, FICCI CASCADLE conducted two parallel programs in this direction: a capacity building programme for police officers in Lucknow, and a training programmes for Customs officers in Bengaluru.

Police Department is the primary law enforcement agency, which administers the Government's economic, trade and tariff policies, handles international traffic of imports & exports, and aids to minimize demerit goods from augmenting in the markets. With low barriers to market entry and infiltration, the Police play a significant role in ensuring and enforcing the protection of right owners. Keeping the above in view, FICCI CASCADLE organized the capacity building programme with Police officers in Lucknow.

Mr. AK Jain, DGP Police (Training) UP was the chief guest at the programme. He congratulated FICCI CASCADLE on this constructive initiative to train officers on this very pertinent issue. In his address, he said that the awareness among the enforcement agencies on the growing need to save the consumers from the hazards of counterfeiting & smuggling was a very essential. Products like counterfeited cosmetics, baby food, medicines, auto components, in particular, impacted consumers directly and hence was a serious health and safety concern for consumers, which needed to be addressed urgently. Mr. Jain also expresses his keen interest to develop a course for the officers in collaboration with FICCI CASCADLE.

During the training, police officers were extensively briefed on the trend of counterfeiting and smuggling of various products, the extent of such products sold in open markets and the resultant loss of revenue to the Government and industry. Mr. Deep Chand, (Retd. Special Commissioner of Police, Delhi) and Advisor FICCI CASCADE discussed the alarming presence of counterfeit products in the markets and its impact on the socio economic growth of the nation. He highlighted the findings of the study commissioned by the FICCI CASCADE, which estimated the magnitude of the grey market in respect of seven key sectors which were among the most vulnerable to counterfeiting and smuggling in India, including automotive parts, alcoholic beverages, computer hardware, personal goods, mobile phones, tobacco products, and packaged foods, and the ensuing impact on the economy. The study stated that in these seven sectors, the annual tax loss to the government in the year 2012 was estimated at Rs. 26,190 crore. It further assessed that an annual sales loss to the industry in these sectors was Rs. 72,969 crore in the year 2012. The maximum tax loss on account of smuggled and counterfeit products to the government was from the tobacco sector at Rs. 6,240 crore, followed by Fast Moving Consumer Goods.

The training programme, attended by over 40 police officers from Lucknow and Kanpur zones, provided a useful interactive platform for the exchange of ideas and experiences in the enforcement of laws and practices while dealing with counterfeiters and smugglers.

Concurrently, in Bengaluru, Custom officers attended a training organized by FICCI CASCADE. The focus here was to equip the officers to understand the methods by which they could detect and distinguish originals from counterfeits, and to help curb the

influx of such illicit products. Mr. Harish Kumar Additional Commissioner, Customs, Bangalore, Chief Guest on the occasion, shared his views and insights on the menace of counterfeiting and smuggling, and thanked FICCI CASCADE for taking the initiative in bringing to the fore such a pertinent issue for the benefit of the Customs officers. He said that such forums proved very useful for industry-customs collaboration in understanding and tackling the growing menace of illicit trade practices, and stated that similar programs should be organized across the country on a regular basis.

Mr. P C Jha, Advisor, FICCI CASCADE and Ex-chairman, CBEC, sharing while his experience, highlighted the importance of creating public opinion to curb this menace. Mr. Jha emphasized that the high rates of taxes and the inter-state tax variations led to higher tax evasion. He cited the example of tobacco products such as cigarettes where the rate variation was so wide that it gave impetus to counterfeiting and smuggling activities.

The training programme was attended by over 30 customs officials, and provided a useful forum for the exchange of ideas and experiences in the detection and prevention of the entry of counterfeit and smuggled goods into the country.

Representatives of Harley Davidson and Puma gave presentations and exhibited samples of their original products alongside the counterfeit copies. The objective was to inform the participating Customs officials about the growing problem of counterfeiting and smuggling in the respective industry segments, and to highlight key technical aspects of their products which could facilitate the detection of counterfeit products. The participating Customs officials found the presentations constructive and interacted actively both with the company representatives and among themselves.



Police officers attending the training programme in Lucknow



Officials during the discussion session in the Bangalore Customs training programme

International News

1. Cigarette Taxes Encourage Smuggling in Turkey

January 6, 2015 | Taxation

ISTANBUL - Tax hikes on cigarettes in Turkey are helping increase the demand for smuggled cigarettes from Iraq and Syria. In a written statement issued on January 2nd the head of the Confederation of Turkish Craftsmen and Tradesmen (TESK) Bendevi Palandöken claimed that the annual increases to the rate of taxes on cigarettes and alcohol need to be frozen, as the hikes are leading to an increase in the smuggling. At the start of the year the tax applied to the sale of tobacco products was increased from TRY 0.13 per pack of cigarettes, to a rate of 0.1866 per pack of cigarettes, while the rate of tax on beer and wine was hike by 15 percent and 16 percent respectively.

<http://www.taxationinfonews.com/2015/01/cigarette-taxes-encourage-smuggling-in-turkey/>

2. TechNavio Says Growth of the Healthcare Industry Expected to Impact the Global Anti-counterfeit Packaging Market by 2019

January 5, 2015 | Yahoo Finance

The Global Anti-counterfeit Packaging Market is expected to grow at a CAGR of 16.23 percent from 2015-2019, says research firm TechNavio. Rapid urbanization and heightened health awareness have increased spending on pharmaceuticals, which has made a huge impact on the Global Anti-counterfeit Packaging Market.

According to the latest report by TechNavio, the demand for product traceability has increased in recent years, both in healthcare and across other industries. Product traceability systems are aimed at keeping a record of product flow, and also keep track of product attributes throughout the production process.

<https://uk.finance.yahoo.com/news/technavio-says-growth-healthcare-industry-154500172.html>

3. Operation Team Player nets more than \$25,000 worth of fake goods

January 5, 2015 | ICE

The 2015 Bridgestone NHL Winter Classic netted a win not only for the Washington Capitals, but also for intellectual property rights (IPR) advocates. Law enforcement seized \$25,130 worth of counterfeit National Hockey League (NHL) gear and other merchandise leading up to the New Year's Day outdoor game that featured the Capitals and Chicago Blackhawks at Nationals Park in Washington, D.C. The operation was led by U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI) with assistance from the Metropolitan Police Department.

The \$25,130 value is based on the manufacturer's suggested retail price of the 680 items of counterfeit NHL gear and other sportswear seized by law enforcement.

<https://www.ice.gov/news/releases/operation-team-player-nets-more-25000-worth-fake-goods>

National News

1. How e-retailers such as Flipkart, Amazon are keeping fake products at bay

January 8, 2015 | The Economic Times

Stung by instances of rogue sellers on their platform shipping dubious products, online marketplaces are putting in place measures to tighten systems and avoid signing up sellers who can tarnish their brand image. The steps range from physical checks to spending more on analytics to monitor marketplaces. For instance, in the case of Amazon India, an internal audit with employees posing as shoppers is a regular feature.

http://economictimes.indiatimes.com/articleshow/45786915.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

2. Fake organic brands thrive under FSSAI

January 16, 2015 | India Today

The Food Safety and Standards Authority of India (FSSAI) has been issued a legal notice by the Crop Care Federation of India (CCFI) for issuing the 'organic' certificate and logo to companies caught cheating consumers. The federation, in its notice on January 3, has blamed the food authority for letting "fake, wrongly labelled and misbranded organic products" deceive millions of consumers in India.

<http://indiatoday.intoday.in/story/fake-organic-brands-thrive-under-fssai/1/413520.html>

3. Rs. 10K Fine on Firm for Fake Fuel Saver

17th January 2015 | New Indian Express

CHENNAI: A Coimbatore-based company that promoted the spurious product, 'Mile Man', claiming to increase vehicle mileage, was penalised by a District Consumer Forum following a complaint from a consumer in the metro. Lured by television promotions which claimed 'Mile Man' to be an 'innovative' product that would reduce fuel consumption of two-wheelers by up to 50 per cent, C Senthil Lakshmi, of Anna Nagar bought it for `3,300 and fixed it on her two-wheeler.

http://www.newindianexpress.com/states/tamil_nadu/Rs10K-Fine-on-Firm-for-Fake-Fuel-Saver/2015/01/17/article2622715.ece

Police Training Programme

27 February | Pune

Intellectual property is a tool to incentivize innovation and creativity to strengthen the economic growth of a nation. Enforcement agencies, police and customs play a pivotal role in protection of consumer rights. There are adequate laws available but enforcement of the laws makes the role of police officers very important to fight against

counterfeiters and smugglers. Therefore, to combat the socio-economic evils of counterfeiting and smuggling from the society, which are risky parasites to the economy and cause danger to the lives of individuals, FICCI CASCADE is organizing a training program to sensitize the police officers in Pune on 27th February 2015.

Awareness through Art



Contact Us

Dipankar Barkakati

Additional Director - FICCI
dipankar.barkakati@ficci.com

Join us on FICCI CASCADE Facebook page:
<https://www.facebook.com/#!/FicciCascade>