

A Report

Leading global players join FICCI CASCADE in addressing the growing threat of illicit trade in India

It is a well-established fact that across the globe, illicit networks are infiltrating and corrupting legitimate business markets, reducing productivity and dis-incentivizing investments in research and development - not to mention, jeopardizing public health, emaciating communities' human capital, and eroding the security of our institutions and governments.

Illicit trade particularly smuggling and counterfeiting are considered to be one of the world's fastest growing 'industry'. Though its size is hard to determine, it is said that that 8%-15% of global GDP is impacted due to illicit trade and connected criminal activities. Recent studies also estimate that globally the economic value of illicit trade could reach \$2.3 trillion by 2022 and the wider social, investment and criminal enforcement costs could take the total to \$4.2 trillion, leaving at risk about 5.4 million "legitimate jobs". Its existence and operation is broad in scope and large in value and hence has rightly been termed as the crime of the 21st century by the FBI.

India is no exception; the market for such products is one of the biggest challenges faced by Indian industry, impacting 'Brand India' globally. FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy [CASCADE] has over the years been concertedly addressing this issue through its various pan-india awareness generation activities, building capacities of law enforcement officials and undertaking ground breaking research about the extent and impact of the menace. An integral part of FICCI CASCADE is to conduct multi-stakeholder dialogues focused on identifying opportunities for joint action between stakeholders to combat illicit trade. This year CASCADE organized the 5th edition of its flagship international conference MASCRADE 2018 (Movement Against Smuggled and Counterfeit Trade) on November 1-2, 2018 in New Delhi, with the theme of *Ensuring Brand Security For Sustained Businesses and Employment Generation*.

Various issues such as global multilateral response to curb illicit trade; holistic and sustainable approaches to brand protection; leveraging Intellectual Property Rights for economic growth and business competitiveness; the need for a policy clarity to provide impetus needed to contain illicit trade and other forms of economic offences; the fight against organized crime in illicit and counterfeit trade and perspectives from law enforcement agencies and judiciary, among others, were discussed. The conference also tried to assess the impact and provide practical recommendations and effective strategies to mitigate this dual menace of smuggling and counterfeiting.

Mr. Suresh Chandra, Secretary, Department of Legal Affairs, Ministry of Law and Justice, Govt. of India, while inaugurating MASCRADE 2018, observed that the damaging impact of counterfeiting and smuggling was threefold. Foremost are the producers, affecting the growth of their industry and stunting the revenue potential from that sector, and thereby affecting the employment growth in the country. Secondly, consumers are the ultimate victims of counterfeiting, smuggling and piracy through excessive prices paid for substandard products that increase exposure to health and safety risks. Lastly, it results in a revenue loss to the government. Loss of revenue to the government has a direct impact on spending on welfare measures such as on health care, education and public transport. Police and other enforcement infrastructure are also hit by this resource crunch which exacerbates the problem of grey market operations.

Mr. Anil Rajput, Chairman, FICCI CASCADE in his welcome address said "the 5th edition of MASCRADE promises to provide an effective roadmap in reining in smuggling and counterfeiting. Every year we have made progress in our fight against this faceless enemy but there is still a long way to go. The subject of

arresting the growth of illicit trade needs our immediate and unwavering attention as it exacerbates unemployment, bleeds the economy and causes tremendous physical, mental and societal distress”.

Highlighting the several initiatives undertaken by the Government of India to fight the menace of smuggling and counterfeiting, **Mr. S. Ramesh, Chairman, Central Board of Indirect Taxes and Customs (CBIC)** highlighted that the phenomenal growth in global trade and technology had positively affected many markets across the world while, on the other hand, it had also offered opportunities for organized criminals to engage in illicit trade and counterfeiting. He further added that Indian Customs had been a pioneering partner in facilitation of licit trade, while curbing smuggled and counterfeit goods. CBIC is committed in fulfilling its role in combating smuggling and counterfeiting in cross-border trade. He reaffirmed that CBIC would relentlessly continue the battle against illicit trade which posed a grave threat to the national security.

Hon’ble Mr. Justice Arjan Kumar Sikri, Judge, Supreme Court of India in his valedictory address stated that the laws should be deterrent enough to dissuade perpetrators from engaging in illicit trading activities. “I am of the firm conviction that there is a great connect between economics and law. Judges have to keep in mind the economic implications, while granting injunctions in respect to counterfeiting and smuggling. To combat such crimes, judiciary must ensure speedy disposal of cases.”

The conference was well attended by over 350 delegates and saw a host of distinguished international speakers from World Intellectual Property Organization (WIPO), INTERPOL, United Nations Office for Drugs and Crime (UNODC), Organization for Economic Corporation and Development (OECD), US Homeland Security, NBC Universal and many others. Notable senior government officials from India including Mr. Rajiv Aggarwal, Joint Secretary, Department of Industrial Policy & Promotion, Ministry of Commerce and Industry; Mr. D. P Dash, Director General, Directorate of Revenue Intelligence; Mr. M M Oberoi, Joint Commissioner of Police, Delhi Police, Hon’ble Mr. Justice Manmohan Singh, Judge, Delhi High Court (Retd.) and Chairman, Intellectual Property Appellate Board (IPAB), Mr. S.K. Sharma, Legal Advisor, National Investigation Agency (NIA) etc. and several leading industry players addressed and took part in the deliberations at the forum.

To encourage and acknowledge the work of our law enforcement agencies, FICCI CASCADE also felicitated the best performing officers for the period 2017-18 for their outstanding achievement in prevention of counterfeiting & smuggling and enforcement of anti-smuggling & anti-counterfeiting laws from enforcement agencies. The list of the awardees was as follows:

- a. Dr. Amandeep Singh, Additional Commissioner of Customs, Indira Gandhi International Airport
- b. Mr. Kiran Kumar, Joint Commissioner of Customs, ICD Tughlakabad
- c. Mrs. Pritee Chaudhary, Joint Commissioner of Customs, SIIB, JNCH
- d. Mr. Vivekanand, Appraiser, IPR Cell, JNCH
- e. Mr. G. Rathinavel, Superintendent, Customs (Preventive), Vizag
- f. Mr. Sumit Kumar, Senior Intelligence Officer, Directorate of Revenue Intelligence, Delhi Zonal Unit
- g. Mr. Ranjan Sen, Senior Intelligence Officer, Directorate of Revenue Intelligence, Kolkata Zonal Unit
- h. Mr. Bhoopender Kumar, Sub-Inspector, Economic Offences Wing, Delhi Police
- i. Mr. Shankar Banerjee, Inspector, Economic Offences Wing, Delhi Police

As a precursor to MASCRADE 2018, CASCADE organized an interschool elocution and painting competition on the theme “Fight Counterfeiting and Smuggling”, in which students from schools across Delhi NCR had enthusiastically participated. CASCADE also conducted a #BeACascadeQuiz on its digital media platform where netizens took part in a quiz related to smuggling and counterfeiting. The student-winners in these events were also felicitated during the programme.