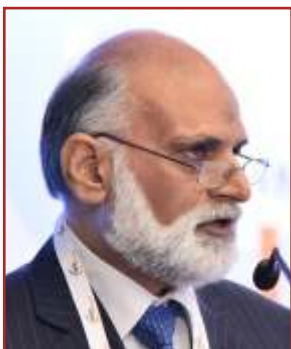


December 2019

NEWSLETTER

Committee Against Smuggling and Counterfeiting Activities Destroying the Economy

Chair's Message



Anil Rajput
Chairman
FICCI CASCADE

Over the years, India has become one of the fastest growing economies of the world. This has naturally drawn attention from all quarters, positive as well as negative. We have become victims of a dangerous threat in the form of counterfeiting, contraband and smuggling. Multiple reports estimate that Illicit trade is the world's largest growing industry and its size is estimated to range between \$650 million to \$3 trillion. Regardless of different approaches to contain this complex issue, it continues to pummel nations at different levels. The effects of smuggling and counterfeiting are serious as they cause all round economic and social damage. They jeopardise the health and safety of people and foment terror by supplying the funds needed for implementing sinister planning. With an overarching objective to reign in this adversary and devise implementable solutions, FICCI CASCADE has been at the forefront in dealing with this problem, since its inception in 2011.

Shri Anurag Singh Thakur, Minister of State, Finance, Government of India during our annual programme MASCRAD E had urged for a 'Team India' to address this burgeoning threat, a threat to businesses, governments, security of the nation and to the health and safety of the citizens. This issue of the newsletter will share our initiatives over the last six months, and how we have been working hand in hand with various stakeholders to create a team which will address this concern in the best possible manner.

Recently, we concluded the 6th edition of our annual flagship international convention – MASCRAD E 2019 (Movement Against Smuggled and Counterfeit Trade). On this occasion, a study 'Invisible Enemy: Impact of Smuggling on Indian Economy and Employment' which was the first quantitative study in India that estimated both revenue and livelihood opportunity lost due to smuggling in five specific industries was released. The study and the subsequent report focussed on Textiles, Tobacco Products (Cigarettes), Readymade Garments, Capital Goods (Machinery and Parts) and Consumer (Electronics) Durables. The report also highlighted the key challenges posed by smuggling and suggested possible solutions to make compliance and related processes more robust, with the overarching objective of arresting the spread of smuggling.

With the purpose of identifying opportunities for joint action between the government and industry to combat counterfeiting in food products, FICCI CASCADE organized a Stakeholder Consultation with FSSAI, where the trends of counterfeiting in packed food were discussed, concerns of the industry were voiced, measures taken by the enforcement agencies to check such activities were shared and collaborative actions required in addressing this issue were deliberated.

Continuing our state level engagement activities, CASCADE organized a seminar on 'Communication, Coordination and Collaboration - Strengthening the fight against counterfeiting and smuggling' in Bengaluru. Additionally, in a month long campaign, FICCI CASCADE organized a series of capacity building programmes in five states for police officers on 'Prevention of Counterfeiting, Smuggling and Piracy' in the police academies of Andhra Pradesh, Karnataka, Tamil Nadu, North Eastern Police Academy and with the Economic Offences Wing, New Delhi. The objective was to help the participating police officials understand the relevant laws and procedures to effectively tackle the counterfeiters and smugglers. Over 700 police officers of different ranks like SIs, ASIs, DSPs, ACPs and DCPs participated in the training programmes.

In order to strike a chord with the youth and encourage them to take required actions to discourage and stop the purchase of fake, spurious and smuggled goods, FICCI CASCADE also organised an Interschool Competition - "Zero- Evasion: Fight Counterfeiting and Smuggling". We were happy to see an overwhelming participation of students from 50 leading schools from Delhi and NCR.

To highlight the enormity of the problem of illicit trade, FICCI CASCADE has been tracking its media coverage through its monthly Media Monitor. It is important to highlight that over the past months, many media reports have stated that the enforcement agencies have been able to catch smugglers and seize goods worth several crores on a regular basis across various product categories. This shows that the government is serious about addressing this issue and is taking the relevant steps to curb its spread. On our part, we will continue to work assiduously to expose this scourge, and work closely with all the stakeholders to blunt the impact of smuggling and counterfeiting.

I'm confident that you will find this a meaningful read.

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NEWS

INDIAN EXPRESS

September 27, New Delhi

WWW.INDIANEXPRESS.COM
THE INDIAN EXPRESS, FRIDAY, SEPTEMBER 27, 2019

'Smuggling in 5 sectors cost India 16 lakh jobs in FY18'

PRABHA RAGHAVAN
NEW DELHI, SEPTEMBER 26

SMUGGLING OF goods in the textiles, ready-made garments, cigarettes, machinery and parts and consumer electronics industries prevented India from adding over 16 lakh jobs in 2017-18, shows a new study on the issue.

"Total estimated livelihood opportunity lost in the economy is about 16.36 lakh because of the estimated smuggling in these five industries because of backward linkage and multiplier effects of these industries," stated the study titled *Invisible Enemy: Impact of Smuggling on Indian Economy and Employment*. The study was commissioned by FICCI CASCADE and conducted by Thought Arbitrage Research Institute (TARI).

Of this, over 5 lakh jobs were prevented from being added to

these sectors directly. Labour-intensive industries like ready-made garments and tobacco products experienced a chunk of the loss in direct livelihood opportunities.

The remaining 11.15 lakh job opportunities were a result of the "backward linkage and multiplier effects" mentioned in the report. This means that other industries linked to the production process in these key industries, including ancillaries, together lost out on over 11 lakh jobs as a result of smuggling of these products, according to FICCI advisor PC Jha.

"This type of study has been conducted in India for the first time to see what the impact of smuggling of these five key commodities has been on the job opportunities in the country," Jha told *The Indian Express*.

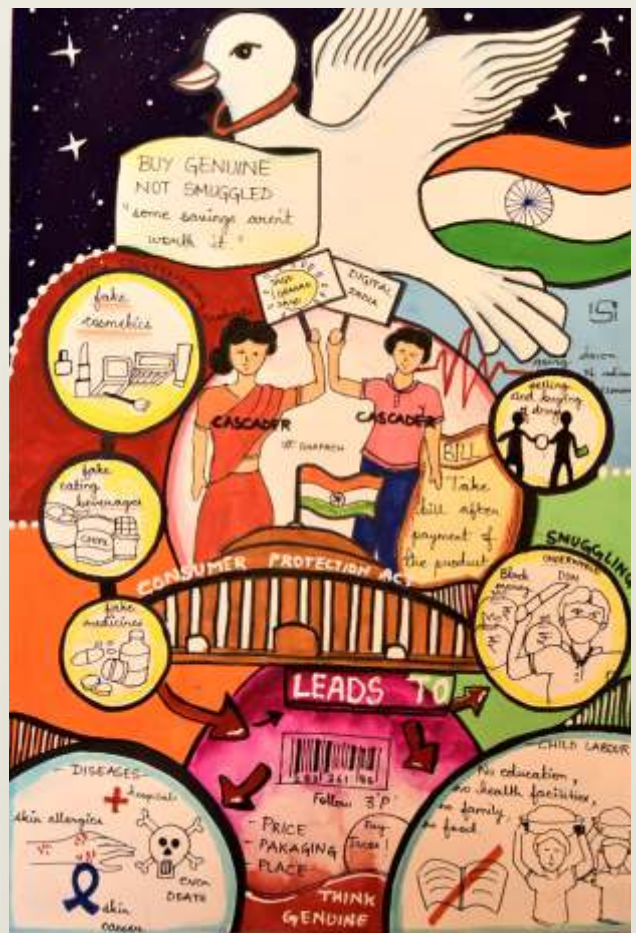
"When smuggling takes place, the manufacturing activity that could have taken place in India has shifted abroad. The goods manufactured in these

other countries are being brought to India in an illegal manner to cater to the demand here," he said, adding that this means that the government also loses out on customs and GST revenue that it could have made from legal imports of these products. Estimates in the study show that smuggling of cigarettes rose to Rs 8,750 crore in 2017-2018 from Rs 7,183 crore in 2015-16, resulting in 14-20 per cent of output loss to domestic tobacco manufacturers.

The estimated smuggling and output loss to the domestic ready-made garments industry also rose to Rs 5,509 crore in 2017-18 from Rs 3,780 crore in 2015-16, according to the study.

Trade in smuggling, contraband, counterfeit and pirated goods has risen steadily in the last few years and now stands at 3.3 per cent of global trade, according to FICCI's release about the report.

AWARENESS THROUGH ART



DECCAN HERALD

September 1, Bangalore

Judges, cops express grave concern over counterfeiting

ANNA RADIAL
BENGALURU, INDIA

The counterfeiting market in India has grown to such an extent that it is necessitating efforts by law enforcement to curb its judicial and police officials.

Ullas Kanath, Chairman of the Karnataka State Council, Federation of Indian Chambers of Commerce & Industry (FICCI) said that while the national GDP is growing at 7.5%, the GDP of counterfeit goods was growing at nearly 30%.

"The total loss to the government because of illicit markets in seven manufacturing sectors, including auto parts, mobile phones, packed goods and cigarettes, amounts to Rs 28,225 crore. The maximum revenue losses came in tobacco products (Rs 9,330 crore), mobile phones (Rs 6,705 crore) and alcoholic beverages (Rs 6,190 crore)," said Kanath, speaking on the sidelines of a seminar on strengthening anti-counterfeiting at the National Law School of India University in Bengaluru on Saturday.



Members of the judiciary and the police stand at a seminar on fighting counterfeit goods and smuggling at National Law School of India University in Bengaluru on Saturday. From left: FICCI, Karnataka, chairman Ullas Kanath; FICCI ex-chairman P C Jha; Central Board of Indirect Taxes and Customs former chairman Najib Shaif; former chief justice of Jammu and Kashmir High Court Mureshwar Sarin; Delhi High Court Judge Justice Pratibha Singh; NLSIU Professor T Ramakrishna and Aditya Biria Fashion VP (Legal) Jyothi Vaj. (to right)

are less than 2015, which are the latest available. Today, we estimate the losses the government at Rs 40,000 crore," he added.

Compounding the problem in the counterfeiting is a revenue-deficient, said Justice Pratibha Singh of the Delhi High Court, pointing out the example of a man who illegally bought a Bira city beer in the US but then proceeded to sell it in India, could be accused of piracy, but could

not necessarily be prosecuted because his activities fell into a grey area as he had legally purchased the beer.

Former Chief Justice of Jammu and Kashmir High Court Mureshwar Sarin said, "Our society sees counterfeit goods as a cost-effective alternative to the real thing, but how many people realise that income from like goods is funding illegal activities?" he asked.

When a parallel or counterfeit policing would be more effective if those below the rank of sub-inspector or cryptanalyst are to conduct searches, Sarin disagreed, saying that such a move could increase corruption.

IBG CEO Pratik Dinesh said that many senior police officers lack the skills to tackle counterfeit smuggling. "The police's priority is basic law and order. Even when anti-counterfeiting laws are effective, convictions are low because of slow justice courts," he added.



RECENT INITIATIVES



in our country. With low barriers to market entry and infiltration, the Police play a very significant role in ensuring the protection of right owners. 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.

FICCI has been focusing on the need to curb the problem of growing illicit trade in counterfeits, pass offs and smuggled goods, and accordingly has dedicated a forum by establishing CASCAD - Committee Against Smuggling and Counterfeiting Activities Destroying the Economy. FICCI CASCAD has been successful in stirring an active debate on the topic nationally through various awareness programmes. Among other activities, FICCI CASCAD has been organizing capacity building programs for police officers in various states, focusing on economic offences such as counterfeiting, piracy and smuggling, equipping the officers to understand the laws and take requisite action against counterfeiters and smugglers.

FICCI adds thrust to its national awareness campaign against Illicit Trade



Over some time now, trade in counterfeit, smuggled and pirated goods has developed into a substantial threat to the economy of our country and pose serious safety and security hazards to the society at large. Different government agencies are involved at various stages in tackling such crimes, right from detection, investigation, prosecution and prevention of such offences, often including the recovery of the proceeds of crime. The Police department is the primary law enforcement agency

In pursuance of its agenda of sensitizing police officers on this issue, FICCI CASCAD organized a series of capacity building programmes for police officers on 'Prevention of Counterfeiting, Smuggling and Piracy' during June-July 2019 in the following locations across India:

1. **Police Training Center, Vizianagaram – 14th June**
2. **Karnataka Police Academy, Mysore – 17th June**
3. **Tamil Nadu Police Academy, Chennai – 21st June**



4. North Eastern Police Academy, Meghalaya – 29th June

5. Barakhamba Police Station, New Delhi – 5th July

A key objective of the program was to build capacities the officials on seriousness of the socio-economic impact of counterfeited and smuggled goods and the practical aspects that has to be kept in mind by the officers while investigation of economic crimes. Over 700 police officers of the rank SIs, ASIs, DSPs, ACPs and DCPs participated in the training programmes, across the five locations.

Mr. Deep Chand, Former Special Commissioner of Police, New Delhi and Advisor, FICCI CASCADE, in his address informed about FICCI CASCADE's mandate of capacity building of law enforcement agencies including Judges, Police and Customs Officers, and how CASCADE had been working extensively and intensively in this area nationally, organizing training programmes and seminars along with

continuous Interactions with the law enforcement authorities to emphasize on the importance of increased awareness on the gravity of the problem.

Mr. Chand correlated smuggling and counterfeiting activity with the security challenge in different environments around the world. He cited various instances where illicit trade in goods is being increasingly used to fund anti-social and terrorist activities. Mr. Chand also urged that need of the hour today was tangible actions to increase enforcement, and to impose increased punishments. This is imperative to reassure legitimate business owners and consumers that the government is serious about protecting right owners, and this will, in turn, encourage greater support for government policies.

While deliberating on the topic, some of the challenges for Police in addressing such crimes that were highlighted were:

- Capacity in terms of skill, infrastructure and technology amongst the law enforcement is not adequate.
- Since the police officers are fully occupied with the investigation of property offences and crime they have little exposure to economic offences and special provisions contained in the enforcement of the IP laws. Hence, it is not a priority for police officers.
- Lack of knowledge of legal provisions related to IP laws. This is necessary for efficient investigation and successful prosecution.
- Majority of the Investigation Officers do not have requisite training and are not comfortable with the investigation that involves such offences.





Some of the excerpts by the dignitaries who inaugurated the training programmes are as follows:



“The police is a primary law enforcement agency and have a significant role to play in fighting the menace of smuggling and counterfeiting. Although counterfeiting and smuggling was looked at as a victimless crime, it had many far-reaching consequences and it is extremely important for a police officer to understand the consequences before taking actions on ground. Only then will an officer investigating a case related to smuggling and counterfeiting be able to understand and take suitable actions'. Mr. D. Rama Chandra Raju commended FICCI CASCADE for taking this maiden initiative in Andhra Pradesh for training police officers on the critical area of illicit trade.”

Mr. D. Rama Chandra Raju
Principal, Police Training Center, Vizianagaram

“Karnataka Police Academy has been committed to this cause for a long time and it is on their agenda to train the officers on such crimes. The effects of crimes such as counterfeiting and smuggling have a gestation period and only grows with time, hence severe and deterrent actions needs to be taken against such criminal activities.”

Mr. Vipul Kumar
IPS, Director, Karnataka Police Academy





“Awareness is the first step towards enforcement as the problem of trade in illicit products emanates from the lack of awareness. We appreciate this initiative of FICCI CASCADE in sensitizing the enforcement officers and we hope that this will cascade down to field officers to facilitate the enforcement of laws to counter such economic offences.”

Mr. Amaresh Pujari

IPS, Additional Director General of Police, Tamil Nadu & Director, Tamil Nadu Police Academy

“The fundamental work of the police is to safeguard life and property of the public, and to maintain law and order in the society. Counterfeiting and smuggling activities is a wire joint which encourages organized crimes. Traditional crimes like murder and terrorism are usually given importance however, economic crimes like counterfeiting and smuggling which affect our daily lives are not given due priority'. Mr. Chaudhary thanked FICCI CASCADE for its initiative of sensitizing police officers on this pertinent issue and urged the industry to come forward and work collaboratively with the police to address this menace.”



Mr. Suvashis Choudhary

IPS, Additional Commissioner of Police, Economic Offence Wing, Delhi Police

The training sessions was also addressed by eminent lawyers, academicians and industry discussing on a wide-range of concerns on the subject with the participating police officials. The programmes were supported by United States Patents and Trademark Office (USPTO). Mr. Timothy K. Browning, Attorney-Advisor, USPTO, Washington emphasized on the creation of a National Coordination Center to enforce IP laws and resolve issues arising out of this menace. He also said "USPTO stands for promoting strong and effective IP laws globally and we have collaborated with FICCI CASCADE to exchange best practices and new methods to counter crimes such as counterfeiting smuggling and piracy."

All speakers unanimously agreed on the fact that the existence and operation of smuggling, counterfeiting and piracy is not only broad in scope and large in value but is draining the global economy, causing losses to both industry & government, and most importantly adversely impacting the health and safety of the consumers. There is an urgent need to create communication, coordination and close cooperation amongst various government agencies, law enforcement officials and private sector to curb the growing scourge.

Seminar on Communication, Coordination and Collaboration

-Strengthening the fight against counterfeiting and smuggling-

31 August 2019, Bengaluru



The connectivity of the world's population has increased phenomenally during the past decades extending the reach of illicit trade to the remotest corners. Technological advent, fast communication channels and globalisation have given impetus to the exponential growth of illicit trade in dangerous forms, such as counterfeiting, smuggling and piracy. According to the World Economic Forum, the economic leakages from illicit trade creates an annual drain on the global economy of \$2.2 trillion, which is nearly 3% of the world's economy.

In order to discuss this growing concern, FICCI CASCADE organised a seminar on "Communication, Coordination and Collaboration: Strengthening the Fight against Counterfeiting and Smuggling" in association with the National Law School of India University, Bengaluru on 31st August 2019. Mr. Ullas Kamath, Chairman, Karnataka State Council, FICCI in his welcome address said that while the national GDP was growing at a rate of 5%, the growth of counterfeit goods was outpacing it at nearly 10%. He added that it was imperative to understand the need for safeguarding the rights of legitimate industry towards developing competitiveness in various sectors of the economy. Mr. Najib Shah, Former Chairman, Central Board of Indirect Taxes and Customs and Think Tank Member, FICCI CASCADE in his theme address, stated that "the realization of the damage counterfeiting causes is not appreciated. On the other hand, smuggling results in generation of unaccounted wealth and is the immediate trigger for

criminal activities. We should aim to work towards creating an environment where people will want to be innovators and manufacturers and importers without fear of their work being plagiarised or having to compete with smugglers".

"Compounding the problem is that counterfeiting has a nebulous definition", observed Hon'ble Ms. Justice Prathiba M. Singh, Judge, Delhi High Court, the Chief Guest at the programme. While commending FICCI CASCADE's continued campaign in

addressing the menace of smuggling and counterfeiting, Justice Prathiba Singh emphasized on the need for education, awareness and sensitization campaigns amongst consumers, specially the country's youth, to effectively deal with the problem of illicit trade.

Prof. Dr. M.K. Ramesh, Vice-Chancellor, National Law School of India University, in his address, mentioned that "tackling the menace of counterfeiting and smuggling should be of prime importance with zero defect and zero-effect on the environment. The image of India will shine globally if we strengthen our enforcement of laws, evolve strategies to address this issue and at the same time safeguard the intellect". The Vice-Chancellor extended his support and ensured the Law School's commitment to work with FICCI CASCADE in its fight against smuggling and counterfeiting.

The seminar generated discussions on shortcomings in the existing legal framework and likely solutions among senior officials including Mr. Pravin Pawar, DIG-CID, Karnataka State Police, Mr. P P Hegde, Criminal Lawyer, Karnataka High Court, Dr. Nagarathna, National Law School, Mr. S K Murthy, Patent Counsel, Intel India and Ms. Vijayalakshmi Malkani, IP Counsel, Hindustan Unilever. Hon'ble Mr. Justice Manmohan Sarin, Former Lok Ayukta, NCT of Delhi, Chief Justice, High Court of Jammu & Kashmir, Judge, High Court of Delhi and Think Tank Member, FICCI CASCADE, who chaired the panel discussion, said that "our society sees counterfeit goods as a cost-effective alternative to the real thing. But how many people realise that the income from fake goods is funding illegal activities?". DIG CID Mr. Pawar remarked that many



junior police officers lacked the skills required to tackle illicit trading activities. “The police's priority is basic law and order. Even when anti-counterfeiting busts are effective, convictions are low because of slow justice in courts” he added.

The subsequent panel discussions focused on the issue of online counterfeiting, potential solutions with respect of enforcement and policy guidelines by concerned government departments. Eminent panelists in the deliberations included Mr. A. K. Jyotishi, Chief Commissioner of Customs, Bengaluru Zone, Mr. T G Venkatesh, Additional Director, DRI, Bengaluru Zone, Mr. Harikrishna Holla, Advocate, Dr. Anita A Patil, Assistant Professor, NLSIU, Mr. Pradeep Dixit, General Manager-Industry Affairs, ITC and Mr. Diwakar Singh Pundir, Head Legal & IP, Marico Limited. Mr. P C Jha, Advisor, FICCI CASCADE and Former Chairman, Central Board of Indirect taxes and Customs, while chairing the session, highlighted that in the last twenty years, the volume of counterfeiting activities globally had increased 100 times and the size of trade in counterfeited goods was 10% of the legal international trade amounting to 2% of the world's overall economic output. “The problem of illicit trade is much more serious than it is commonly perceived”, he emphasized.

Prof. (Dr.) T. Ramakrishna, Professor of Law, Chair of Intellectual Property Rights, Head, CIPRA, Head, Institute of Excellence on Standards and IPR, elaborated on the best practices in dealing with the counterfeiting issue globally, citing laws in the US, Turkey, Canada, UAE and Japan, along with Mr. Ranjan Narula, Managing Partner, RNA, who spoke on the laws in the US and Canada.

The event witnessed enthusiastic participation of over 100 industry captains, representative from consumer forums, lawyers, government officials and other stakeholders. The program concluded with the participating delegates agreeing on the following proposals:

1. The primary concern in tackling the growing phenomenon of illicit trade is the

implementation and enforcement of laws, as the legal framework is adequate.

2. There is a need to train judicial and police officers for ease of implementation and prosecution of such cases.
3. The need to understand that the consumers are also an important stakeholder. Involving them to fight the increasing menace is essential to tackle this issue.
4. Naming and shaming both users and producers of counterfeit products is another essential mechanism, which will lead to shunning of the products by the consumers themselves, thereby leading to a change in the mindset of the people.



Students Join Hands to Fight Counterfeiting and Smuggling



With the unrelenting growth of illicit trade through counterfeiting and smuggling, FICCI CASCADE has been continuously campaigning against these activities. However, as the problem of counterfeiting and smuggling has led to more financial, economic and social crisis, it is our continuous endeavour to revisit, rethink and test new approaches in addressing this socio-economic challenge.

India has a young population profile and is set to be the youngest country by 2020. The youth of India being the country's future, it becomes imperative to understand the power tomorrow's consumers. With youngsters becoming a key stakeholder for advocating socially responsible behaviour, FICCI CASCADE believes that it is important to bring them on board the awareness campaign and through them influence the society as a whole. We believe that an idea planted in their minds can become an instrument of change.

FICCI CASCADE has initiated a youth movement across the country to spread awareness among the young minds and seek their support to underpin the fight against counterfeiting and smuggling. Such a campaign has offered an opportunity to bring in more people, particularly youngsters to push forward its actions to curb the ensuing menace.

In order to pick the brains of the young school children and inspire the youth to take required actions to discourage and stop the purchase of fake, spurious and smuggled goods, FICCI CASCADE organised an Interschool Meet on the subject, where over 350 students from 50 leading schools from Delhi and NCR and few from other states as well competed against each other in three categories of competitions, namely, Painting, Elocution and Creative Writing, on the theme "Zero- Evasion: Fight Counterfeiting and Smuggling" on 6th August 2019 in FICCI, New Delhi. The programme was also supported by FICCI ARISE (Alliance for re-imagining School Education).

The contest witnessed enthusiastic and active participation

from students, most of whom were very impressive in expressing their concern on the need to curb such illegal trade practices. The competitions provided a unique platform to the young minds to express their views through their oratory and creative talent on diverse themes like "Young India Says No to Counterfeiting and Smuggling", "Terrorism Financing through Smuggling", "India: A Victim of Smuggling", "India's Brand Integrity at Stake due to Counterfeiting and Smuggling" etc.



The competitions were judged by Mr. P. K Malhotra, Former Secretary of Law and Justice, Govt. of India, Mr. Sanjeev Tripathi, Former Chief of RAW, Mr. Hem Pande, Former Secretary, Consumer Affairs, GOI, Mr. Deep Chand, Former Special Commissioner of Police, New Delhi and Mr. P. C. Jha, Advisor, FICCI CASCADE & Former Special Chairman, Central Board of Indirect Taxes and Customs (CBIC),

The winners in the competitions were as follows:

Elocution Competition



1st

Mannat Arora
Class XII-C,
Blue Bells Model School,
Gurgaon

2nd

Khyati Pareek
Class XII-E,
Modern Public School,
Shalimar Bagh

3rd

Vidhi Bisht
Class XII,
Nehru World School &

Bhavya Pokhriyal
Class XII,
Queen's Valley School,
Dwarka

Painting Competition



1st

Supriya Baital
Class X-C,
Birla Vidya Niketan,
Pushpa Vihar

2nd

Vismit Kaur
Class XI-D,
Spingdales School,
Pusa Road &

Shreyas
Class IX-D,
St. Columba's School,
Ashok Place

3rd

Pranav Sharma
Class IX-A, Don Bosco School,
Alaknanda &

Pratishtha Dinkar
Class X-A,
Arvind Gupta DAV Centenary
Public School &

Shreya Mishra
Class, XII,
The Future Kids School,
Hyderabad

Creative Writing Competition



1st

Devanshi Yadav
Ryan International School,
Vasant kunj

2nd

Bhumika Aggarwal
Class X,
Mount Abu Public School,
Rohini

3rd

Arunima Mehta
Class XII-C, Lilawati Vidhya Mandir
Sr. Sec School, Shakti Nagar &

Anuushka Sharan
Laxman Public School,
Hauzkhas

Consolation

Navdha

Class XI-A, Darbari Lal DAV
Model School, Shalimar Bagh



Through the competitions not only did all witness the skills and creative abilities of the school children, but also visible was the passion in them to bring about 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 entails 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. Several steps are being taken by FICCI CASCADE and the government to create large-scale awareness among the most impacted segment of this menace: the consumer. This youth awareness initiative was one of a series of such events to be organised across the country as part of a nation-wide awareness campaign to highlight the issue and focus on the growing menace of illicit trade.





It has long been known that illicit trade in terms of counterfeiting, smuggling and piracy make up a vast 'global businesses', representing a multibillion-dollar illegal industry that creates a significant drain on the world economy. Further, it negatively impacts legitimate economic activity and facilitates an underground economy and organized crime that deprives governments of revenues for vital public services, forces higher burdens on taxpayers, dislocates hundreds of thousands of legitimate jobs and exposes consumers to dangerous and ineffective products.

It is this area in which CASCADE (Committee Against Smuggling and Counterfeiting Activities Destroying the Economy), of FICCI, with a view to bring about a change, has been pursuing a campaign to raise consumer awareness, policy makers in the government, and the concerned enforcement agencies.

As a significant part of this campaign, every year, CASCADE holds its flagship international event, namely, MASCRADE (Movement Against Smuggled and Counterfeit Trade), which is attended by many delegates from India and abroad. The sixth edition of this movement was held in New Delhi during 26-27 September this year with a theme of 'Containing Counterfeiting, Smuggling and Piracy: A Winning Strategy'. MASCRADE2019 focused on decisive intervention as a way of addressing the debilitating impact of counterfeiting and smuggling on global economies. This conference was a conscious and well directed attempt to bring in the best minds from the fields of policy making, law, brand protection, industry, enforcement agencies and media to find a holistic and permanent solution to the problem of counterfeiting, smuggling and piracy, which if left unchecked, threatens to subvert the economic and societal stability of countries across the world.





Shri Anurag Singh Thakur, Hon'ble Minister of State, Finance and Corporate Affairs, Government of India inaugurating the conference said that the Government along with organizations like FICCI must fight against counterfeit, illegal smuggling and piracy. He further stated that India needs more awareness to understand the difference between fake and original goods and urged to leverage use of technology to stop this growing menace.

In our country any illegal activity is not appreciated and I am sure that we will soon overcome this problem which triggers criminal activity stated **Shri Nityanand Rai, Hon'ble Minister of State, Home Affairs, Government of India**. Addressing the gathering, Hon'ble Minister said that counterfeiting and smuggling directly impacts health,



economy, education and society. We should come together and say no to counterfeit and smuggled products. The government of India has already taken several measures to address this issue and FICCI CASCADE should send recommendations on curbing this problem to all ministries in the government to further strengthen these measures.

In a special address, **Mr. P. K Das**, Chairman, Central Board of Indirect Taxes and Customs, highlighted the several initiatives undertaken by the Government of India to fight the menace of smuggling and counterfeiting. He said that "money generated through illicit trade funds organized crime and nurtures illegal drugs trade, he further added that

"CBIC India is equipped with all advance technological wherewithal to detect counterfeit and smuggled products."

Mr. Anil Rajput, Chairman, FICCI CASCADE in his welcome address emphasised, "I must say that the work undertaken by Shri Narendra Modi ji's government has been laudable. Under his able directions and guidance, the seizures of illicit goods are at an all-time high in India. Smuggling and counterfeiting are increasingly hurting Indian economy and have crept into multiple sections of the society. Immediate steps are required, both in the form of policy intervention and awareness generation, to address this growing menace".

The event saw the release of a study commissioned by FICCI CASCADE to Thought Arbitrage Research Institute (TARI)—'*Invisible Enemy: Impact of Smuggling on Indian Economy and Employment*'. The study is a pioneering effort in India, which quantitatively estimates both revenue and livelihood opportunity lost due to smuggling in five specific industries. These are: Textiles, Tobacco Products (Cigarettes), Readymade Garments, Capital Goods (Machinery and Parts) and Consumer (Electronics) Durables. The report also highlights the key challenges posed by smuggling and suggests possible solutions to make compliance and related processes more robust with the overarching objective of arresting the spread of smuggling.

To encourage and acknowledge the work of our law enforcement agencies, FICCI CASCADE also felicitated the best performing officers for the year 2018-19, for their outstanding achievement in the prevention of counterfeiting & smuggling, and enforcement of anti-smuggling & anti-counterfeiting laws on this occasion.

Key Deliberations and Recommendations – MASGRADE2019

Various issues such as Balanced, Holistic and Futuristic Strategies; Balancing Brand Security Strategies and Actionable on Ground Operations; Attacking the roots of organized crime; Policy and Regulatory framework needed to Stop Counterfeiting, Smuggling & Piracy from Entering the Virtual Marketplace among others were deliberated in the two-day dialogue which was attended by over 600 delegates.

Along with growth in economy, there has also been rise in illicit trade. In fact, rate of growth of illicit trade has outpaced the growth in economy. It has credibly been estimated that by 2022, the market size of this illegal business at global level will touch US\$ 3 trillion. No country is immune to this problem, and there is no product, the counterfeit of which is not available in the market.

A report by USTR informs us that pharmaceuticals and FMCG products are facing a big problem due to illicit markets. 20% of pharmaceuticals sold in the market are either counterfeit or sub-standard, and in the case of FMCG



products, 7-10% of the market share has been taken away by smuggled or counterfeit goods which results in a loss of Rs. 21,000 to Rs. 31,000 crore to the legal industry. One alarming aspect of the illegal business is that money generated through this is the main source of financing of terrorism across the globe. Different terrorist organizations indulge in smuggling and counterfeiting of specified products viz Islamic State in cigarettes and mobile phones; Hezbollah in drugs and medicines; Al Qaeda in clothing and bags; Irish Republican Army in pirated discs and clothing; Hamas in drugs and food products; and Boko Haram in cigarettes. Rightly so, this evil business is termed as the crime of the 21st century by the FBI.

Speakers in the conference also mentioned about the online sale of counterfeit goods. Nearly one in three Indians have reported receiving counterfeit products online. An OECD report of March 2019 shows that worldwide percentage of counterfeit footwear is about 22%, clothing 16%, leather goods 13%, electric equipments 12%, etc. It is important to note that since brands stand for social status, trust, quality, originality etc., hence any activity that compromises with this has to be curbed effectively.

It was suggested that vigorous consumer awareness campaigns are required to be undertaken at a large scale.



Further, multimedia campaigns such as government's "Jago Grahak Jago" are also needed to be launched on a much bigger scale. This will empower the consumers to differentiate between the genuine and fake. Industry has also to take steps to safeguard the integrity of supply chains of their products, check notorious markets regularly, and use technology to track and trace movement of their original products in transit. Industry has to put thrust on risk assessment and make more investment in intelligence services. To check this menace, whole-hearted support of the government is necessary. The government has to establish a nodal vigilance agency to carry out regular monitoring of illegal activities.

A regular and constant dialogue with international stakeholders will also help in disseminating global best practices. It was suggested that legal provisions dealing with such crimes are needed to be reinforced. The extant bail provisions are not severe, and that after detection of a case and completion of investigation, only a few prosecution proceedings result in conviction. It is necessary that bail should carry high amount of security, there should be stringent monetary penalty for the offences, and imprisonment should be more rigorous than at present. It was also opined that certainty about infliction of penalty is more effective than severity of the penal action.



Investigation and prosecution must end in a specified period. The need for separate commercial courts manned by specially trained judges was also recommended. Dynamic injunctions coupled with punitive damages and making the provision of arbitration applicable for such offences were discussed. There is a need for a comprehensive national legislation to deal effectively with organized crime like the one in Maharashtra.

Hon'ble Shri Uday Umesh Lalit, Judge, Supreme Court of India in his valedictory address said that counterfeiting is like a cancerous cell eating into the body of the society. There must be body to conduct constant and vigilant monitoring to curb counterfeiting before it takes place. It is imperative that the judicial process, executive vigilance and legislative apparatus must work together to stop the menace of counterfeiting and smuggling.

A systematic treatment and persuasion by global community for stronger enforcement is needed to address this issue. The conference saw a host of notable

international speakers from INTERPOL, US Intellectual Property-South Asia, UK Intellectual Property Office, Australian Border Force, HM Revenue and Customs and US Dept. of Homeland Security, and captains from the industry across sectors. Notable senior Indian government officials from Ministry of Home Affairs, Gol, Department of Law and Justice, Central Board of Indirect taxes and Customs, Directorate of Revenue Intelligence, Delhi Police, Customs also took part in the deliberations and extended their support to this initiative.

Since, the Indian economy has planned to reach the target of US\$ 5 trillion by 2024, illicit trade having a serious decelerating effect on growth, has to be curbed substantially. This will happen only if concerted effort is made by all stakeholders. All concerned have to cooperate to ensure that an effective and workable deterrence to contain the spread of this menace, is created without any loss of time. In absence of such an action, it would be difficult to arrest this menace.





COVERAGE

6th Edition
MASCRADE 2019
Movement Against Smuggled & Counterfeit Trade

FICCI
CASCAD E

For updates, follow us on: <https://www.facebook.com/FicciCascade/> <https://twitter.com/cascadeglobal>

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Movement Against Smuggled & Counterfeit Trade

FICCI
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Times Now

Illicit trade has grown from USD 650 bn to about USD 3 tn in last 10 years. Presenting the 6th edition of @Ficci_India's Movement Against Smuggling and Counterfeit Trade. Watch key highlights from the event, only on Times Now. #MASCRADE19 @Cascadeglobal

Prof. BEJAN KUMAR MISRA

At the @Cascadeglobal event with @SecyIndia on a trusted panel of the Indian Consumer discussing the menace of counterfeit products on the supply chain & adverse trade globally. @SecyIndia @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal

Indian Coast Guard

Commandant IGI PK Yadav Commanding Officer @IndianCoastGuard. Shipwreck was featured by FICCI for Distinguished service in Enhancing Law-enforcement & Anti-smuggling by @SecyIndia @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal

Gen Jitendra Dikshit

Gen Jitendra Dikshit (Retired) was awarded Certificate of Recognition by FICCI for his performance in preventing counterfeiting and smuggling by the FICCI Committee Against Smuggling and Counterfeiting Activities. @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal

FICCI CASCAD E

Heartiest Congratulations to Sri Vaidh Anbar Pattan, Asst. Police Inspector Maharashtra Police for receiving Anti-smuggling and Anti-Counterfeiting Award for his distinguished service in enforcing laws. #MASCRADE19 @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal @Cascadeglobal

Manu Mathan

Congratulations @Ficci_India for a wonderful conference. It was an honor to represent @Ficci_India and @Cascadeglobal with my colleagues Justice Sabharwal and @ManuMathan speaking on how the UK can share its experience on promoting good businesses by rooting out bad ones.

For updates, follow us on <https://www.facebook.com/FicciCascade/> <https://twitter.com/cascadeglobal>

ROUNDTABLE ON COUNTERFEIT FOOD PRODUCTS

13th November 2019



- Initiatives by E-Commerce Companies
- Initiatives by Direct Selling Companies
- Leveraging Technology: Use of Track & Trace Mechanism to Control Counterfeiting
- Strengthening of Enforcement & Surveillance Mechanism
- Consumer Awareness & Capacity Building

The food and beverage industry faces a challenge from counterfeiters on a global scale. Counterfeit food products and beverages threaten the health and safety of people around the world who often unsuspectingly buy these potentially very dangerous goods. More so, this is coupled with the loss of revenue and reputation of the impacted industry. Counterfeiting in this area is particularly dangerous because consumption of non-standard or low quality edible food and drinks can lead to involuntary ingestion of toxic substances that may cause serious health ailments or be life-threatening.

The magnitude and effects of counterfeiting are of such significance that they compel strong and sustained action from governments, business and consumers. With this in view, Food Safety and Standards Authority of India [FSSAI] and FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy [CASCADE] jointly organized a Roundtable on Counterfeit Food Products. This roundtable was organized with the objective to have in place a detailed action plan for government, enforcement agencies and industry to address this menace. The initiative was supported by FICCI CIFTI and E-Commerce Committee.

Mr. Pawan Agarwal, CEO, FSSAI, who chaired the roundtable, stated that FSSAI would look into the problem of counterfeit food products holistically and advised the food safety administration on the legal provisions available and their effective enforcement. Moreover, based on the inputs received from industry, an action plan would be developed to address the issue of counterfeit food products, which will be based on the following parameters:

- Nature, Background & Current Status of Counterfeiting of Food Products in India
- Current Legal & Regulatory Provisions to Check Counterfeiting of Goods
- Industry Initiatives for Controlling Counterfeiting

- CASCADE & Industry Associations Initiatives on addressing Counterfeiting

Mr. Anil Rajput, Chairman, FICCI CASCADE said that over past several years through its various initiatives, CASCADE had taken a number of steps to address the threat of counterfeiting and smuggling. A key tool to address this issue is educating consumers to ask for a bill while buying products so that this would act as a proof-of-purchase and can be used for consumer protection in case the product is a counterfeit. He also emphasized that strengthening the penal provisions along with their speedy adjudication for cases related to counterfeiting were imperative.

The roundtable was attended by leading food and beverage companies, including ITC, Nestle, Britannia, Dabur, Coco-Cola, Hindustan Unilever, Mondelez, Mars, Marico, DS Group, Perfetti Van Melle, Pernod Richard, Diageo etc. who flagged their individual issues. Representatives from major e-commerce companies, e.g. Amazon, Flipkart, Shopclues and Snapdeal also participated and explained their compliance mechanisms to address online counterfeiting.

GS1, the leading organization for anti-counterfeiting solutions, also presented their perspective on curbing this menace through the use of authentication solutions. However, it was felt that the counterfeiting scenario of each industry was unique; and therefore, solutions to address needed to be tailored according to the concerned sectors.

The members at the roundtable conclusively agreed that the criminal activities of illicit operators will only continue to be more aggressive, bolder, and more effective at infiltrating the legitimate supply chain. The proposed pragmatic action plan by FSSAI is, therefore, a welcome and much-needed step to create the desired deterrence and strengthen actions against the perpetrators of such crimes.

A moderate tax rate is a win-win situation for all

A lower rate of tax will induce liquidity in the system, expands the market and create employment in India

Jun 16, 2019 | Hindustan Times | PC Jha

The Indian government implemented the Goods and Services Tax (GST) in 2017. The main objective of this economic policy was to eliminate the cascading effect in indirect taxation, moderation of tax rates, increasing the tax base, and integrating the tax system of the central and state governments. The government introduced GST with five slabs: 0%, 5%, 12%, 18% and 28%. In addition, some goods have also been subjected to state compensation cess. It was not easy to roll out the GST. While the GST council did its best to smoothen the process, enforcement has not kept pace with the speed of implementation. This has resulted in substantial leakages in revenue collection. This must be plugged.

To do so, policymakers must reduce the number of GST slabs. A beginning can be made by merging the 12% and 18% slabs and replacing them with a moderate 15-16% rate. The mindset of the policymakers has to move from the tax rates to the amount collected. To achieve this, tax has to be collected at a lower rate from a larger number of people by raising the level of compliance. The experiences of governments both in India and abroad have indicated that having a moderate tax rate is a win-win situation for the government and the citizens. In such a system, there is more generation of revenue as a result of enhanced compliance, resulting from the moderation of tax rates. A lower rate of tax, in addition, also induces liquidity in the system, expands the market and creates employment, thereby creating a positive spiral in the economy.

It has been seen that in the recent past, there is a spurt in

the availability of products that have high incidence of the tax such as cigarettes via illicit channels. Out of 108 billion sticks sold in India, one fourth are of illegal origin. The loss according to the exchequer, according to Euromonitor, is about Rs 13,000 crore. The result: an adverse impact on the legal industry and/or drop in consumption of luxury items because they have become unaffordable. The automobile sector is another example. Fake auto parts such as clutch, steering arms and brake linings are supplied to dealers, leading to road accidents. Due to these fake parts, the automobile industry lost approximately Rs 10,500 crore in revenue in 2014 and the government lost nearly Rs 3,200 crore the same year, according to the Ficci Cascade Report.

So, it is important for policymakers to moderate taxes, focus on plugging the leakages/loopholes, reduce the number of slabs to simplify the tax structure, and eliminate evasion by unscrupulous elements who use the arbitrage opportunities.



Illegal trade a speed breaker

Saturday, 12 October 2019 | PC Jha

The pace of progress of Indian Economy gained momentum in 1991 with the step of Liberalization, Privatization, Globalization (LPG) taken by the Narsimha Rao government. Passing through the phases of ups and downs, since then, in general, the economy has been doing much better than before. The momentum of progress got further accelerated in 2014 with the coming back of power of the NDA government. However, at this moment, scenario is not encouraging, not entirely due to domestic factors. All around, there are discussions with or without enough analysis about the reasons of slowdown. Many manufacturing sectors like automobiles, textiles, MSMEs are not doing well, which besides other consequences have resulted in creation of considerably less number of jobs. Besides other, one such factor which has a huge negative effect on growth is the fast-growing high volume of illicit trade. It is this area in which CASCADE (Committee Against Smuggling and Counterfeiting Activities Destroying the Economy), of FICCI, with a view to bring about a change, has been pursuing a pan-India campaign to raise awareness of the consumers, policy makers in the government, and the concerned enforcement agencies, like police, customs, judiciary.

As a significant part of this campaign, every year, CASCADE holds its flagship international event, namely, MASCRAGE (Movement Against Smuggled and Counterfeit Trade), which is attended by many delegates from India and abroad. The sixth edition of this movement was held in New Delhi in September this year. Expectedly, the speakers in this conference deliberated on all aspects of the menace of smuggling and counterfeiting. CASCADE is able to receive active support of several international and domestic agencies such as OECD, WIPO, INTERPOL, World Customs Organization, HMRC, UN Office on Drugs and Crime, UK Intellectual Property Office, United States Patent and Trademark Office (USPTO), United States Department of Homeland Security, Australian Border Force, Italian Embassy, Directorate of Revenue Intelligence, Customs, Police, Judiciary, Ministries of Home, Consumer Affairs, Commerce and Industry, Electronics and Information Technology, Law and Justice; and captains of different industries.

Key Deliberations:

The conference saw invigorating discussions on all aspects of the problem of smuggling and counterfeiting. Illicit trade is normally seen only from the prism of the loss of revenue to the exchequer, however, it has many more facets that impact our economy, society, law and order, and generation of employment. Along with growth in economy, there has also been rise in illicit trade. In fact, rate of growth of illicit trade has outpaced the growth in economy. It has credibly been estimated that by 2022, the market size of this illegal business at global level will touch US\$ 3 trillion. No country is immune to this problem, and there is no product, the counterfeit of which is not available in the market.

A report by USTR informs us that pharmaceuticals and FMCG products are facing a big problem due to illicit markets. 20% of pharmaceuticals sold in the market are either counterfeit or sub-standard, and in the case of FMCG products, 7-10% of the market share has been taken away by smuggled or counterfeit goods which results in a loss of Rs. 21,000 to Rs. 31,000 crore to the legal industry. One alarming aspect of the illegal business is that money generated through this is the main source of financing of terrorism across the globe. Different terrorist organizations indulge in smuggling and counterfeiting of specified products viz Islamic State in cigarettes, POL products and mobile phones; Hezbollah in drugs and medicines; Al Qaeda in clothing and bags; Irish Republican Army in pirated discs and clothing; Hamas in drugs and food products; and Boko Haram in cigarettes. Illicit trade in tobacco products is considered a low risk high reward economic activity. Rightly so, this evil business is termed as the crime of the 21st century by the FBI.

Speakers in the conference also mentioned about the online sale of counterfeit goods. Nearly one in three Indians have reported receiving counterfeit products online. An OECD report of March 2019 shows that worldwide percentage of counterfeit footwear is about 22%, clothing 16%, leather goods 13%, electric equipments 12%, etc. It is important to note that since brands stand for social status, trust, quality,

originality etc., hence any activity that compromises with this has to be curbed effectively.

Suggestions Made:

MASCRADE 2019 delved deep into the subject with a view to find a holistic and permanent solution to the problem. It was felt that a unified voice is needed so that the government makes policies and legislations to serve the best interest of the consumers and the country.

It was suggested that vigorous consumer awareness campaigns are required to be undertaken at a large scale. Further, multimedia campaigns such as government's "Jago Grahak Jago" are also needed to be launched on a much bigger scale. This will empower the consumers to differentiate between the genuine and fake. Industry has also to take steps to safeguard the integrity of supply chains of their products, check notorious markets regularly, and use technology to track and trace movement of their original products in transit. Industry has to put thrust on risk assessment and make more investment in intelligence services. To check this menace, whole-hearted support of the government is necessary. The government has to establish a nodal vigilance agency to carry out regular monitoring of illegal activities.

A regular and constant dialogue with international stakeholders will also help in disseminating global best practices. It was suggested that legal provisions dealing with such crimes are needed to be reinforced. It was mentioned that the extant bail provisions are not severe, and that after detection of a case and completion of investigation, only a few prosecution proceedings result in conviction. It is necessary that bail should carry high amount of security, there should be stringent monetary penalty for the offences, and imprisonment should be more rigorous than at present. It was also opined that certainty about infliction of penalty is more effective than severity of the penal action. Investigation and prosecution must end in a specified period. The need for separate commercial courts manned by specially trained judges was also recommended. Dynamic injunctions coupled with punitive damages and making the provision of arbitration applicable for such offences were discussed. There is a need for a comprehensive national legislation to deal effectively with organized crime like that one in Maharashtra.

Release of the study:

The event saw the release of a study commissioned by FICCI CASCADE to Thought Arbitrage Research Institute (TARI)- 'Invisible Enemy: Impact of Smuggling on Indian Economy and Employment'. The study is a pioneering effort in India, which quantitatively estimates both revenue and livelihood opportunity lost due to smuggling in five specified industries. These are: Textiles, Tobacco Products (Cigarettes), Readymade Garments, Capital Goods (Machinery and Parts) and Consumer (Electronics) durables. The report highlights

the key challenges posed by smuggling and suggests possible solutions to make compliance and related processes more robust with the overarching objective of arresting the spread of smuggling.

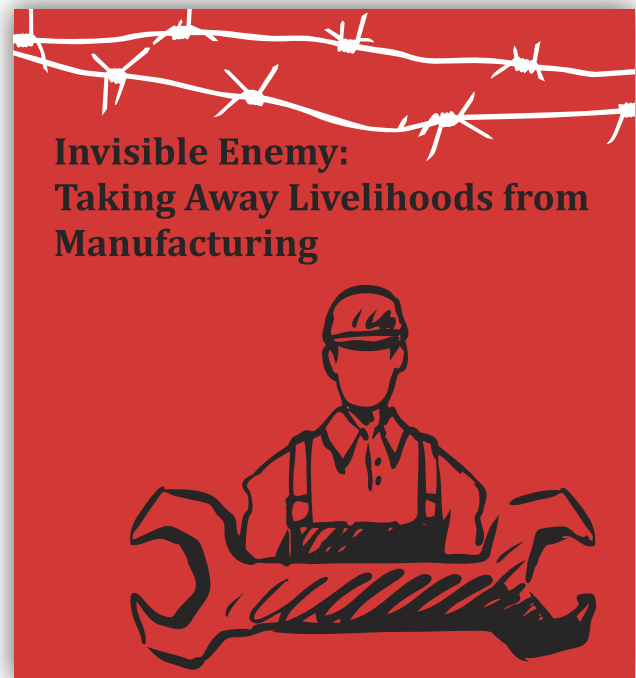
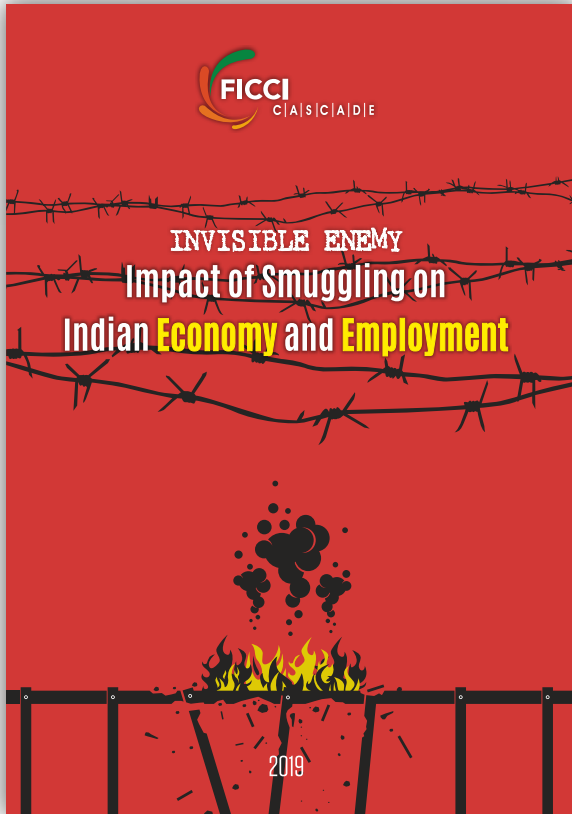
The highlights of the study are as follows:

- Indian economy lost Rs 1,17,253 crore in FY 18 due to smuggling in the five key sectors
- Due to smuggling of these five products, the total livelihood opportunity lost in the economy is about 16.36 lakh in FY 18. While arriving at these figures, besides impact on direct employment, backward linkages and multiplier effects of these industries were also taken into account as per universally accepted norms.
- Total direct livelihood opportunity lost in these five industries is about 5.01 lakh in FY18. Out of this, 3.55 lakh is in readymade garments and tobacco products which are labour-intensive industries.
- Estimates of cigarette smuggling based on consumption approach shows that the quantum of smuggling of cigarettes was Rs. 8750 crores in FY18, resulting in 14 to 20 percent of output loss to domestic tobacco manufactures.
- The estimated smuggling in readymade garments industry rose to a level of Rs. 5,509 crores in FY18.

The study recommends the way forward:

- Strengthening domestic manufacturing and reducing demand supply gap by making more goods available through legal channel.
- Government policies such as emphasis on enforcement action and priority on coordination between different government agencies must be reviewed on urgent basis in view of the findings of the report.
- Leveraging technology for trade facilitation and monitoring
- Capacity building of enforcement agencies
- Strengthening risk management capabilities of customs department
- Better coordination among enforcement agencies engaged in anti-smuggling
- Greater need for international coordination and cooperation.

Since, the Indian economy has planned to reach the target of US\$ 5 trillion by 2024, illicit trade having a serious decelerating effect on growth, must be curbed substantially. This will happen only if concerted effort is made by all stakeholders. All concerned have to cooperate to ensure that an effective and workable deterrence to contain the spread of this menace, is created without any loss of time. In absence of such an action, it would be difficult to arrest the growth of Illicit Trade in the country.



Loss to the Government and Impact on Economy

Impact on Domestic Industries and Loss of Employment

Impact on Innovation and Investment

Impact of Smuggling

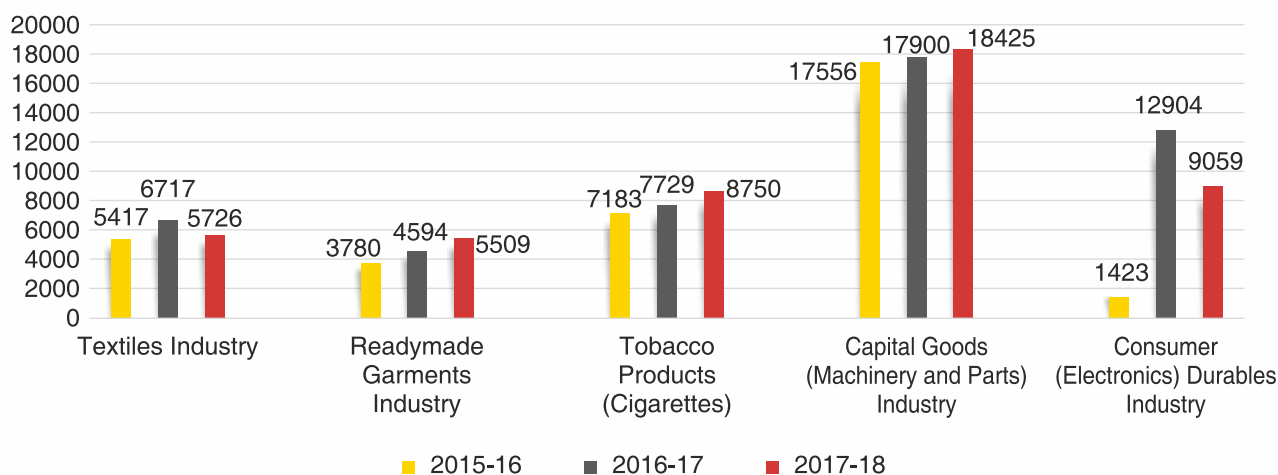
Summary of Key Findings

Smuggling and Losses to Country	Year	Textiles Industry	Readymade Garments Industry	Tobacco Products (Cigarettes)	Capital Goods (Machinery & Parts) Industry	Consumer (Electronics) Durables Industry
Direct Employment Loss: Industry (Lakh)	2015-16	0.79	1.68	0.89	0.71	0.016
	2016-17	0.93	2.06	0.95	0.69	0.16
	2017-18	0.7	2.49	1.06	0.68	0.08
Total Output Loss: Economy (Crore)	2015-16	12974	9960	13248	50035	3370
	2016-17	16087	12105	14256	51015	35293
	2017-18	12636	14516	16138	52511	21452
Total Employment Loss: Economy (Lakh)	2015-16	2.51	2.32	2.8	6.39	0.25
	2016-17	2.96	2.85	2.98	6.22	2.31
	2017-18	2.21	3.44	3.34	6.12	1.25

Summary of Key Findings

Based on our research approach and methodology, we have estimated smuggling (equal to output loss to domestic manufacturing industry) in five key industries:

Smuggling in Key Industries (Rs. Crore)



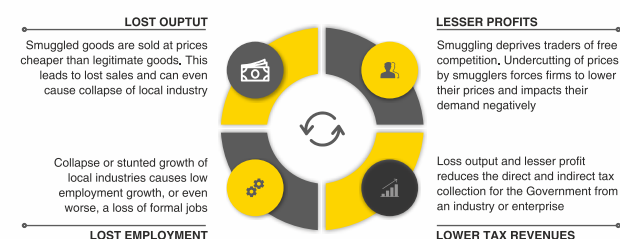
Key Indicators for Identification and Selection of the Key Manufacturing Industries⁸

Industry	Seizure Data ⁹ (Crore)	Total Number of Enterprises (Lakh)	Total Output (Crore)	Total Employment (Lakh)
Machinery and Parts	44.71	0.926 (86.9 %)	313935 (8.7 %)	12.73 (42.9 %)
Tobacco Products (Cigarettes)	162	32.79 (99.9%)	59666 (20.6%)	44.55 (88.6 %)
Textile Products (Silk, Yarn, Fabric)	41.48	26.21 (99.3 %)	448449 (16.4%)	65.43 (76.1 %)
Ready-made Garments	(included in textiles)	56.20 (99.8 %)	123397 (38.7 %)	89.48 (87.9 %)
Consumer Electronics	19.76	0.148 (96.0 %)	95170 (1.7%)	1.12 (32.3 %)

2.2.2 Impact on Domestic Industries and Employment

Smuggling may affect domestic industries by distorting prices of commodities. It affects domestic consumption pattern with supply of cheap or even contraband products. Smuggling drastically cuts prices of products, thereby significantly affecting the market for local products. Domestic industries become unviable in such a distorted market. Smuggling may result in mass lay-offs in domestic companies who are unable to counter cheap imports, leading to surge in unemployment in the country.

The 145th Parliamentary Standing Report presented in the Rajya Sabha¹⁰ have clearly pointed how unfair or illicit imports from the China are affecting the domestic industries, particularly which are labour intensive such as textiles.



Conclusions and Way Forward

Smuggling or illicit trade is among one of the factors that is impeding growth of the manufacturing sector. It harms the economy of a country in multidimensional ways. The ill effects of smuggling are felt widely across industries directly. Estimates of smuggling in the five key industries and direct and indirect employment lost in the economy signal toward the criticality of the problem faced by the country. Globalisation has made possible vast increase in trade, more mobility and fast means of communication—all of which have made smuggling easier. Coordinated efforts of the government and industry bodies are therefore needed to control the spread of smuggling. The possible way forward for the country to tackle the problem of smuggling and the recommendations for consideration are:



MEDIA COVERAGE



Training on 'Prevention of illegal trade' for Police and Enforcement Officials held



Mysuru, June 18: Federation of Indian Chambers of Commerce and Industry's (FICCI) Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE) has organised a 3-day capacity-building training programme on prevention of illegal trade in counterfeit, pirated and smuggled goods for Police and Enforcement officials of Karnataka State at Karnataka Police Academy (KPA) in city yesterday.

Speaking after inaugurating the programme, KPA Director Vittal Kumar said that the Programme is the State for training Police officers on the critical area of illegal trade. FICCI-CASCADE also works closely with government, Police, training all efforts in eliminating the threat in co-ordination with FICCI's CASCADE and added that strict measures must be taken to nip the illegal trade in sufficient in time zones, an increase in years.

Police must be at the vanguard of fight against smuggling

Such crimes cost the industry a loss of 39,239 crore. "The estimated loss to the industry is 39,239 crore, an increase of 1,000 crore," he said. "The estimated loss to the industry is 39,239 crore, an increase of 1,000 crore," he said.

CITY READ
Seminar on fight against smuggling
FICCI CASCADE (Committee Against Smuggling and Counterfeiting Activities Destroying the Economy) recently organised a seminar - 'Communication, Coordination and Collaboration-Strengthening the fight against counterfeiting and smuggling'.

'जागरूकता से ही रुकेगी जालसाजी'

राष्ट्रीय सहारा

आयकर कूट पर फैसला सही वक्त पर : टाकुर

2022ರ ವೇಳೆಗೆ 5.4 ದಶಲಕ್ಷ ಉದ್ಯೋಗ ಸೃಷ್ಟಿ: ಉಲ್ಲಾಸ್ ಕಾಮತ್

ಬೆಂಗಳೂರು: ದೇಶದಾದ್ಯಂತ ಸಾಂಕೇತಿಕವಾಗಿ 'ಸುಸ್ಥಿತಿ'

ಜನತೆಗೆ ಶಿಕ್ಷಣ ನೀಡಲು ಮನವಿ

ನವಭಾರತ ಟाइम्स

ಇಂಕಮ್ ಟೆಕ್ಸ್‌ನಲ್ಲಿ ಜಿಲ್ಲೆ ಬದಲಾವಣೆ

ಜನಸಂತಾ

ಅವೈಧ ಕಾರೋಬಾರ್‌ನಿಂದ ನಿರ್ವಹಣೆಗೆ 'ಥಿಂಕ್ ಟೆಕ್' ರೋಡ್‌ಮ್ಯಾಪ್ ತಯಾರ್‌ ಮಾಡಲಾಗುವುದು

ನಕಲಿ ಸಾಮಾನುಗಳಿಗೆ ಆರೋಗ್ಯ ಹಾನಿ

ಫಿಕ್ಕಿ ಕೆಸ್‌ಕೇಡ್‌ ಮತ್ತು ವ್ಯಾಪಾರ ಮಂಡಲದ ಆಯೋಜಿಸಿದ ಸೆಮಿನಾರ್‌ನಲ್ಲಿ ವಿಶೇಷಜ್ಞರು ಆರೋಗ್ಯ ಹಾನಿಯ ಬಗ್ಗೆ ಎಚ್ಚರಿಕೆ ವಹಿಸುವಂತೆ ಮನವಿ ಸಲ್ಲಿಸಿದರು.

ನಕಲಿ ಸಾಮಾನುಗಳಿಗೆ ಆರೋಗ್ಯ ಹಾನಿ

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ನವ ದೆಹಲಿ | ಕಾರೋಬಾರ್‌ನಿಂದ ಜಾಲಸಾಜಿ, ತಸ್ಕರಿ ಜೊತೆಗೆ ಗತಿವಿಧಿಗಳಿಗೆ ಅಂಕುಶ ಲಗಿಸಲು ಥಿಂಕ್ ಟೆಕ್‌ನಲ್ಲಿ ಕೆಸ್‌ಕೇಡ್‌ನು ಇಕಾಓನಿಕ್‌ನು ಥಿಂಕ್ ಟೆಕ್‌ನು ಗುರುತಿಸಿದ ಖಾಯಂ.

ನಕಲಿ ಸಾಮಾನುಗಳಿಗೆ ಆರೋಗ್ಯ ಹಾನಿ

ಫಿಕ್ಕಿ ಕೆಸ್‌ಕೇಡ್‌ ಮತ್ತು ವ್ಯಾಪಾರ ಮಂಡಲದ ಆಯೋಜಿಸಿದ ಸೆಮಿನಾರ್‌ನಲ್ಲಿ ವಿಶೇಷಜ್ಞರು ಆರೋಗ್ಯ ಹಾನಿಯ ಬಗ್ಗೆ ಎಚ್ಚರಿಕೆ ವಹಿಸುವಂತೆ ಮನವಿ ಸಲ್ಲಿಸಿದರು.

ನಕಲಿ ಸಾಮಾನುಗಳಿಗೆ ಆರೋಗ್ಯ ಹಾನಿ

ಅವೈಧ ಕಾರೋಬಾರ್‌ನಿಂದ ನಿರ್ವಹಣೆಗೆ 'ಥಿಂಕ್ ಟೆಕ್' ರೋಡ್‌ಮ್ಯಾಪ್ ತಯಾರ್‌ ಮಾಡಲಾಗುವುದು

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Media Coverage

ਪੰਜਾਬ ਕੇਸਰੀ

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अवकाश ट्यूट के बारे में सही समय पर फैसला
सकार: अनुराग ठाकुर

Business Standard

Counterfeiters doing untold harm to country: Ficci panel

The programme was aimed to sensitise police officers of the importance of awareness and the impact of counterfeit and smuggled goods...
Police training Centre principal, B. Raja, Coimbatore told...

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Business Line

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Govt to take call on relief in income tax at appropriate time: Thakur

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The Statesman...
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INTERNATIONAL NEWS

1. P740-million fake, smuggled goods seized in Pasay, Manila warehouses

7, June 2019 | Manila Bulletin

Various counterfeit products, such as clothes and cosmetics, worth P740 million were discovered in two warehouses in Manila and Pasay recently, the Bureau of Customs (BOC) said Friday. The bureau's intelligence group inspected the two warehouses where the fake items were reportedly being stored before their distribution to the local market. Fake branded footwear, wearing apparels, cosmetics, toys, and cellphone accessories were uncovered in a warehouse located in Baclaran, Pasay City in the first raid on May 21.

It stemmed from a tip that the warehouse was storing fake goods that would be sold in the market, according to the bureau.

<https://news.mb.com.ph/2019/06/07/p740-million-fake-smuggled-goods-seized-in-pasay-manila-warehouses/>

2. Counterfeit and smuggled consumer goods worth \$3.5 million seized across Americas and Caribbean

20, June 2019 | Illicit Trade

An Interpol-backed crackdown on counterfeit and smuggled consumer goods across the Americas and Caribbean has resulted in the seizure of hundreds of thousands of potentially dangerous items.

Operation Maya III saw law enforcement agencies in Belize, Costa Rica, Cuba, the Dominican Republic, Guatemala, Honduras, Jamaica, Mexico and Panama carry out a series of raids and inspections on markets, shops and at borders. In total, investigators participating in the effort, which took place back in April, confiscated some 746,000 items estimated to be worth around \$3.5 million.

<https://www.illicit-trade.com/2019/06/counterfeit-and-smuggled-consumer-goods-worth-3-5-million-seized-across-americas-and-caribbean-in-interpol-backed-operation/>

3. BOC, Navy intercept P25M worth of smuggled cigarettes in Zamboanga

24, June 2019 | Inquirer.Net

Customs and Navy agents seize 740 boxes of cigarettes – likely smuggled from Malaysia – in Zamboanga City last June 20, 2019. The contraband was loaded onto “MJ Farnaliza” and valued at P25 million. Photo courtesy of Bureau of Customs

MANILA, Philippines — Bureau of Customs (BOC) and Philippine Navy operatives have intercepted a boat that was carrying smuggled tobacco products worth P25 million in Zamboanga City.

The contraband loaded onto the boat named “MJ Farnaliza” likely came from Malaysia, according to authorities. BOC and Navy members seized the smuggled cigarettes last June 20. Authorities believe MJ Farnaliza came from Jolo province.

<https://newsinfo.inquirer.net/1133506/boc-navy-intercept-p25m-worth-of-smuggled-cigarettes-in-zamboanga>

4. \$200,000 in counterfeit products seized at Port of Shreveport

24, June 2019 | Ark Latex Homepage

SHREVEPORT, La. (KTAL/KMSS) – Hundreds of counterfeit items have been seized at the Port of Caddo-Bossier. Over the last five months, U.S. Customs and Border Protection officers have seized more than \$200,000 in counterfeit and potentially dangerous products.

The most recent seizure was a shipment of 120 fake Yeti tumblers, 210 counterfeit Kylie Jenner and Urban Decay makeup sets, and more than 2,200 counterfeit Otter Box and Apple phone cases. More than 320 fake Apple chargers and ear pods were also confiscated.

<https://www.arklatexhomepage.com/top-stories/200000-in-counterfeit-products-seized-at-port-of-shreveport/>

5. Customs officials seize US\$61,450 worth of counterfeit goods on truck entering Hong Kong from mainland China

2, July 2019 | South China Morning Post

Hong Kong's customs officers have seized about 2,000 suspected counterfeit items, ranging from shoes and watches to sunglasses, worth about HK\$480,000 (US\$61,450).

The Customs and Excise Department said in a statement on Tuesday that its officers intercepted a truck coming into Hong Kong from the mainland at the Man Kam To Control Point last Thursday.

The contraband was found in the truck's cargo compartment. The driver, a 58-year-old man, was arrested.

"The investigation is ongoing and the arrested man has been released on bail pending further inquiries," the department said.

<https://www.scmp.com/news/hong-kong/law-and-crime/article/3016975/customs-officials-seize-us61450-worth-counterfeit>

6. Online Searches Often Lead Customers to Counterfeit Goods

21, October 2019 | Business News Daily

Counterfeit items have been a problem for some of the internet's biggest retailers for a while now. During their analysis, researchers said, they learned about the proliferation of counterfeit goods simply by conducting searches.

According to the survey, 60% of Google's first-page results for a brand name antibiotic called Bactrim led to websites that researchers believe were "very likely to be operating unlawfully." While the biggest concern about counterfeit drugs (and the websites selling them) are potential health issues that could result from taking counterfeit medication, researchers also discovered that these sites could be hacked, leading to potentially dangerous consequences for a person's private data.

<https://www.businessnewsdaily.com/15311-online-searches-counterfeit-goods.html>

NATIONAL NEWS

1. Smuggled cigarettes worth Rs1 crore seized from godown in Mumbai

12, June 2019 | Hindustan Times

The Directorate of Revenue Intelligence (DRI) seized 60 smuggled cartons of cigarettes of foreign brands worth Rs 1 crore from the godown of a courier firm in south Mumbai on Tuesday and arrested its owner. The DRI officers raided the godown, located at Chira Bazar on Monday and found 29 bags containing the cartons, which had 6.73 lakh cigarette sticks. The accused, Bipin Kumar Singh, was then arrested on Tuesday.

According to the DRI, the smuggled cigarettes are sold for overpriced rates in Indian market. During interrogation, Singh told the DRI officers that he had received the cargo from a businessman in Delhi. Singh has been sent into judicial custody by a local court.

<https://www.hindustantimes.com/mumbai-news/smuggled-cigarettes-worth-rs1-crore-seized-from-godown-in-mumbai/story-wFCQMt5O4kvbcca88KpoMP.html>

2. DRI: Gang smuggled Rs 1,000 crore gold in eight months till racket was busted

30, June 2019 | India Times

MUMBAI: Directorate Revenue of Intelligence (DRI), probing the 110kg gold smuggling case, involving businessmen from Mumbai and Kerala, revealed that the gang smuggled more than 3,000kg of gold worth Rs 1,000 crore in eight months. A DRI official said the accused smuggled gold in 24 consignments from July last year to March this year, when the racket was busted and 14 persons were arrested.

"During scrutiny, it transpired that the syndicate smuggled 3,396kg gold, which is one of the biggest seizures in recent years. Hence, the accused were detained under stringent sections of Conservation of Foreign Exchange and Prevention of Smuggling Act (COFEPOSA)," said a source. As Bombay high court said COFEPOSA was not applicable on technical grounds last week, DRI will move the Supreme Court on Monday.

<https://timesofindia.indiatimes.com/city/mumbai/dri-gang-smuggled-rs-1000-crore-gold-in-eight-months-till-racket-was-busted/articleshow/70006940.cms>

3. UP: Fake products worth over Rs 50 lakh seized

20, July 2019 | The Times of India

AGRA: A police raid at a small house at Jagdispura in UP's Agra on Friday yielded counterfeit "branded products" - including cosmetics such as facewash, skin foundation, hair oil, lip balm - worth over Rs 50 lakh.

The raid reflects a worrisome situation of the retail market - in Agra and the neighbouring districts in UP- which is flooded with fake products.

The raid was conducted in association with Kolkata-based Anusandhan Investigation and Security Private Limited (AISPL)- the brand product investigation agency which was said to be hired by Hindustan Unilever, Dabur India, Bajaj, Tata Group, Himalaya Drug Company and others.

<https://timesofindia.indiatimes.com/city/agra/up-fake-products-worth-over-rs-50-lakh-seized/articleshow/70311120.cms>

4. One arrested for smuggling 225 cartons of liquor in Uttar Pradesh's Shamli

21, July 2019 | Mid-Day.Com

The accused was arrested with 225 cartons of liquor from Yamuna bridge on Panipat-Khatima highway. On Sunday, a large consignment of liquor being smuggled from Haryana was seized from a vehicle at the Yamuna bridge check-post on the interstate border in the neighbouring Shamli district.

A man identified as Naresh Kumar was arrested from Yamuna bridge on Panipat-Khatima highway with 225 cartons of liquor, Kairana Circle Officer (CO) Rajesh Kumar said. A case against the accused has been registered, Kumar said. In a similar incident, the **police arrested two persons while allegedly smuggling 578 cartons** of foreign liquor worth Rs 52 lakh in a truck.

<https://www.mid-day.com/articles/one-arrested-for-smuggling-225-cartons-of-liquor-in-uttar-pradeshs-shamli/21391191>

5. Fake Watch Racket Busted, Mumbai Crime Branch Seizes 1 Cr Worth Goods

25, September 2019 | Republic World

The Mumbai Crime Branch on Monday busted a fake watch racket & has seized over 5,281 fake watches worth Rs 1 crore, three accused have been arrested in the probe.

The Mumbai Crime Branch on Monday, September 23, busted a fake watch racket and has seized over 5,281 fake watches worth Rs 1 crore. The crime branch raided a factory that produced fake watches that imitated branded companies such as Calvin Klien, Movado Swiss, Fastrack. In the raid, they discovered all the materials and spare parts needed to make those fake watches amounting to Rs 20,97,450. The police have reportedly arrested three accused in the matter.

<https://www.republicworld.com/india-news/general-news/fake-watch-racket-busted-mumbai-crime-branch-seizes-1-cr-worth-goods.html>

6. Fake Bazaar! From Lipsticks to Toothpastes, Noodles To Milk, Counterfeit Products Make A Killing

11, October 2019 | Outlook India

Adulterated products are carefully mixed with originals. Unpacked spices, edible oil and grey powder passed off as cement are part of a Rs 1 Trillion parallel economy.

Up a narrow street in one of the shanty colonies in East Delhi, we are on the top floor of an unassuming, three-storey building. It's a decent-sized hall, about 700 sq feet, the size of a compact 2BHK. Two people, both in their 30s, are stacking empty packets in neat piles on a large table. Nescafe 500 gm, one of the top coffee buys in the world. You still can't smell the coffee...it's empty, remember? Well, figuratively speaking, you can. It's a stiff concoction. Before Nescafe, they'd just finished stacking empty 200 gm packets of Tata Tea, India's top tea brand.

<https://www.outlookindia.com/magazine/story/business-news-fake-bazaar-from-lipsticks-to-toothpastes-noodles-to-milk-counterfeit-products-make-a-killing/302225>

7th edition



MASCRADA 2020

MOVEMENT AGAINST SMUGGLING & COUNTERFEIT TRADE

Containing Counterfeiting, Smuggling and Piracy: A Winning Strategy

September 2020

Seminar on Communication, Coordination and Collaboration



-Strengthening the Fight Against
Counterfeiting And Smuggling-

January 2020 | Chennai



In the recent past India's economic growth story has attracted world's attention bringing new challenges for the domestic economy. One of the challenges currently faced is the growing illicit trade in counterfeits, pass offs and smuggled goods. These activities are also threatening brands not only in every region of the country but across the globe. Contraband and counterfeit products hurt the integrity of the brand, further diluting the brand owner's reputation. This not only results in erosion of sales of the legitimate product but further [CASCADE]s onto affect the consumers in the form of health and safety hazards. With the above insight the Federation of Indian Chambers of Commerce and Industry (FICCI) took the initiative to dedicate a forum by establishing the Committee Against Smuggling and Counterfeiting Activities Destroying the Economy - CASCADE on 18th January, 2011.

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