



FICCI CASCADE

(Committee Against Smuggling and Counterfeiting Activities Destroying the Economy)

Illicit trade in terms of smuggling and counterfeiting make up 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. Illicit trade is the world's largest growing industry, and its size is estimated to range between \$650 million to \$3 trillion according to multiple studies. This evil business represents 10% of global trade and has been termed as the crime of the 21st century by the Federal Bureau of Investigation (FBI).

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 CASCADE - Committee Against Smuggling and Counterfeiting Activities Destroying the Economy which was established on 18th January 2011.

CASCADE focuses on highlighting the hazards of counterfeiting and smuggling because:

- Legitimate Industry is adversely impacted
- Consumer's health and safety is being jeopardized
- Illegitimate Industry is flourishing
- Loss to the exchequer
- Burden of welfare and enforcement costs
- Black Money is being generated
- Increased criminalization

FICCI CASCADE works closely with industry, consumers, media, legal experts, consumer organizations, enforcement agencies and policy makers to create awareness on how smuggling and counterfeiting have become a serious menace to public health and safety, and why all concerned must make a concerted effort to contain this menace.

FICCI CASCADE's 4-Pronged Approach:

1. Generating Awareness
2. Capacity Building of Law Enforcement Authorities
3. Research and Proposing Reforms
4. Sharing Best Practices

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- Generating awareness on the hazardous impact of smuggling, contraband and counterfeit products amongst consumers and citizens.
- Capacity building of law enforcement agencies including Judges, Police and Customs Officers
- Research and proposing law reforms.
- Interactions with the law enforcement authorities to emphasize the importance of continued awareness and seriousness of the impact of counterfeit and smuggled products.
- Systematic dissemination of enforcement techniques, procedure, and strategy through regular workshops for the guidance of its members.
- Sharing the best practices followed globally for combating contraband, smuggled and counterfeit product.
- Provide knowledge support to the industry members.

FICCI CASCADE over the years has been successful in stirring an active debate on the topic nationally and internationally. Various engagement programs and activities organized by CASCADE are well attended by industry across sectors, consumer rights activists, youth, government officials, the judiciary, police, customs and border enforcement officials, and have received wide public appreciation and media coverage. Since its inception, FICCI CASCADE has organized various awareness programmes and initiatives across the nation to fight the hazards of counterfeiting and smuggling. These awareness programs were well attended comprising industry (retailers, distributors and manufacturers) across sectors, consumer rights activists, youth, police and custom officials, and have received wide media coverage.

FICCI CASCADE not only initiated research to assess the extent of the problem of illicit trade but also outlined its impact on the society. CASCADE has till date released 19 publications highlighting the magnitude of the menace and has presented several recommendations to the government proposing to mitigate this challenge. In its report released in 2021, the study highlights that the size of illicit markets in five key industries – FMCG-packaged food, FMCG- household & personal goods, mobile phones, alcoholic beverages, and tobacco products, has increased from ₹ 2.49 lakh crores in 2018-19 to ₹ 2.60 lakh crores for the year 2019-20. The study on *'Invisible Enemy: Impact of Smuggling on Indian Economy and Employment'* released in 2019 was a pioneering effort in India, which quantitatively estimates both revenue and livelihood opportunity lost due to smuggling in five specific industries. According to the study the total direct livelihood opportunity lost in Textiles, Tobacco Products (Cigarettes), Readymade Garments, Capital Goods (Machinery and Parts) and Consumer (Electronics) Durables is about 5.01 lakh in 2017-18. This further leads to a total livelihood opportunity loss in the economy of about 16.36 lakh in 2017-18 due to backward linkage and multiplier effects of these five industries.

An integral part of FICCI CASCADE is to conduct multi-stakeholder dialogues focused on identifying opportunities for joint action between governments, enforcement agencies, international institutions and the private sector to combat illicit trade. In furtherance of this mandate CASCADE had organized 8 editions of its flagship international conference. The objective is to bring together and encourage deliberations between the stakeholders on the alarming magnitude of unfair trade practices such as counterfeiting and smuggling, and to spread awareness about its adverse socio-economic impact. The conferences have seen overwhelming response in terms of delegate participation, media coverage and witnessed a host of

international and national speakers.

It is evident that the problem of illicit trade is serious which needs to be dealt with sincere commitment leading to result- oriented effective steps addressing this challenge. In pursuance of its agenda, FICCI CASCADE has constituted a Think Tank comprising of doyens from various government departments and institutions, who advise, direct and provide necessary inputs in formulating a strong & effective future course of action for CASCADE in eliminating the menace of illicit trade.

The CASCADE Committee is FICCI is chaired by Mr. Anil Rajput, Member-Corporate Management Committee & President, Corporate Affairs, ITC Ltd.