

January 2021

NEWSLETTER

Committee Against Smuggling and Counterfeiting
Activities Destroying the Economy



CHAIR'S MESSAGE



Anil Rajput
Chairman
FICCI CASCADE

FICCI CASCADE ushered the new year with the 7th edition of MASCRAGE 2021, our flagship international conference on Movement Against Smuggled and Counterfeit Trade. With health taking the centre stage over the past year, Dr. Harsh Vardhan, Union Health Minister of India inaugurated the conference and shared his vision on this year's theme- 'Impact of Counterfeiting and Smuggling on Personal Health and Safety'. Dr Harsh Vardhan strongly emphasised on reviewing current regulations related to smuggling and counterfeiting, using latest technology to aid security forces and enforcement agencies, raising the penalties for those committing this crime, along with allocation of more financial and human resources to counter this activity. With several recommendations made during MASCRAGE 21, I am convinced that in the times ahead, we will be able to make significant progress in denting the impact of illicit trade on the socio-economic health of our country.

We also launched the 'In Conversation Series', a new and exciting platform of FICCI CASCADE where we deliberate on various facets of illicit trade with our guests and subject matter experts. During the last three months we were privileged to have been joined by Prof Arun Kumar, Malcolm Adiseshiah Chair Professor, Institute of Social Sciences, Mr. Balesh Kumar, Pr. Director General, Directorate of Revenue Intelligence and Dr. Muktesh Chander, Special Commissioner, Delhi Police. Discussions on correlation of black economy and illicit trade, smuggling scenario of India, increasing rate of cybercrime and the preparedness of the government to handle such issues were most insightful.

Continuing our state level engagement on creating awareness on Combating Smuggling and Counterfeiting during the COVID-19 pandemic, we organized a webinar for the state of Kerala. Mr P Thilothaman, Minister for Food and Civil Supplies, Govt. of Kerala, the Chief Guest at the webinar, rightly pointed the need to create consumer awareness and substantially reduce the illicit market operations for growth and development in the country. We also witnessed a riveting discussion with Dr. Amar Patnaik, Member of Parliament, Rajya Sabha on Communication, Coordination and Collaboration- Strengthening the fight against counterfeiting and smuggling. Dr. Patnaik was of the strong opinion that to drive India's economic resurgence, parallel economy in counterfeiting and smuggling must be addressed and this would help India to achieve a \$ 5 trillion economy in 2025 and aim to take it to \$ 10 trillion by 2027.

Since the onset of the pandemic, lot of reports on how illicit operators were cashing in the crisis by selling fake and smuggled goods and taking advantage of vulnerable people came forth. There was no better time than now to share such stories. Subsequently, CASCADE organised an online #MyCovidStory campaign- a storytelling initiative. This campaign put the spotlight on people as to how they felt, acted, and thrived, when encountered with counterfeit, fake and smuggled products during the challenging Covid-19 times. We received an overwhelming response, and I am sure that the experience sharing not also generated awareness and but also inspired people to shun the usage of illicit products. For strengthening consumer protection, CASCADE also joined hands and signed an MoU with Amazon India to further the cause of consumer trust and heighten the efforts and combat illicit and counterfeits on e-commerce entities.

It has been noted that the number of seizures of illicit goods have been on the rise. This reflects that the government is serious about tackling this concern and is taking the relevant measures to curb this bane. FICCI CASCADE congratulated the enforcement officers for their exemplary work. Moreover, to assess the magnitude of the problem FICCI CASCADE has been tracking media coverages through its monthly Media Monitor.

We hope you will find a lot of interesting takeaways in this issue of our Newsletter. FICCI CASCADE will continue to highlight this menace and identify opportunities to work with key stakeholders to address this challenge. It is my firm conviction that concerted efforts invariably go a long way in achieving desired results.

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Statesman

November 19, 2020

'Eightfold increase in tobacco smuggling during June-Oct 20'

PTI
NEW DELHI, 18 NOVEMBER

India continues to be a target for tobacco smugglers in spite of several restrictions with an almost eightfold increase in the illegal activity, according to industry chamber FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy CASCADE).

Enforcement agencies in India seized illicit cigarettes worth around Rs 412 crore in the last five months across India, which is a quantum jump compared to Rs 52 crore in June-October period of 2019, FICCI CASCADE said in a statement.

"This comes in the wake of several cases being intercepted during the COVID-19 pandemic," it added.

Commenting on the development, FICCI CASCADE



Chairman Anil Rajput said: "There has been an almost eightfold increase over the year, indicating that India continues to be a target for tobacco smugglers in spite of several restrictions. It is clear that criminal enterprises are continuing to seek ways of ensuring infiltration of smuggled goods into the country."

While lauding the recent efforts of enforcement officers,

'Enforcement agencies in India seized illicit cigarettes worth around Rs 412 crore in the last five months across India, which is a quantum jump compared to Rs 52 crore in June-October period of 2019'

he said: "We cannot afford to let the guard go down and must maintain strict vigil to ensure that these offenders are kept at bay."

FICCI CASCADE said in spite of several measures which are being undertaken by the government, to tackle this problem, further steps are required, both in the form of policy intervention and awareness generation.

Live Mint

January 21, 2021

mint



Union Health Minister Harsh Vardhan (ANI Photo)

Vocal for Local extremely potent tool in fight against illicit trade: Vardhan

2 min read . Updated: 21 Jan 2021, 05:06 PM IST
PTI

- Harsh Vardhan said as India starts to produce strong domestic brands, profiteering by smugglers and counterfeits will sooner become limited
- He said the methods by which spurious misbranded and adulterated drugs enter the distribution channel has become increasingly complex.



Noting that healthcare products are one of the most commonly targeted industry for counterfeiters, Health Minister [Harsh Vardhan](#) on Thursday said [Vocal for Local](#) will be an extremely potent tool in India's fight against illicit trade.



7th edition

MASCRADE 2021

Movement Against Smuggled & Counterfeit Trade

Recent Initiatives

IMPACT OF COUNTERFEITING AND SMUGGLING ON PERSONAL HEALTH AND SAFETY

JANUARY 21-22, 2021



It has long been known that illicit trade in terms of counterfeiting and smuggling 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.

The COVID-19 pandemic has called for greater focus on addressing the growing hazards of counterfeiting and smuggling which are severely impacting the economy and endangering lives of consumers. While the government is continuously intensifying efforts to combat the spread of the coronavirus by enacting various measures to support public health systems, safeguard the economy and ensure the safety



RECENT INITIATIVES



of its citizens, illegal operators are taking advantage of the pandemic by providing illicit alternatives of items both online and offline.

Even before the onset of the pandemic, OECD in 2019 stated that trade in counterfeit and pirated goods has risen steadily over the last few years and stood at 3.3% of global trade. Unfortunately, the pandemic not only complicated it but has made matters worse with estimates from The World Economic Forum stating that over US\$2.2 trillion (3% of global GDP) will be lost due to illicit trade leakages in 2020.

The current environment most certainly presented a new opportunity for all stakeholders to tackle this long-standing problem. It is with the above background that FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE) organized the 7th edition of its annual programme MASCRADE (*Movement Against Smuggled and Counterfeit Trade*) 2021 on January 21-22, with a theme of 'Impact of Counterfeiting and Smuggling on Personal Health and Safety'. MASCRADE 2021 focused on 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 and smuggling, which if left unchecked, threatens to subvert the economic and societal stability of countries across the world.

Dr. Harsh Vardhan, Union Minister of Health and Family Welfare inaugurated the 7th Edition of MASCRADE 2021 and emphasized the challenges of COVID 19 pandemic and illegal operator of drugs. He stated, "As we are all aware, amid the chaos created by the Covid-19 pandemic and the various policy responses designed to contain its spread, illicit players have used the pandemic as an opportunity to increase their nefarious activities, causing significant damage to the economy of the nation, health and safety of people worldwide."

Dr. Harsh Vardhan also called for greater focus on coming together to address the growing hazards of counterfeiting and smuggling. In this regard, he said, "Businesses and industry must come together and partner with the government to become a greater force in fighting this growing threat with the ultimate goal of keeping consumers safe. The methods by which spurious, misbranded and adulterated drugs enter the distribution channel have become increasingly complex. Weak points in the distribution processes of pharmaceutical products provide an avenue for entry of such products in the supply chain. This is an issue where industry players can and must play an active role to help identify and plug these loopholes," he said.

Mr. Kunio Mikuriya, Secretary General, World Customs Organization in his keynote address said, "While the movement of people has been severely restricted at the borders, customs has been working tirelessly to ensure the





smooth cross border movement of essential goods including medicines and medical supplies. On the other hand, we are mindful that criminal organizations could exploit the current pandemic to obtain illegal profits, hence Customs-Business Partnership in addressing together the scourge of counterfeiting and smuggling is imperative.”

In a special address, **Hon'ble Justice Manmohan Sarin**, Former Lokayukta, NCT of Delhi, Chief Justice, High Court of Jammu & Kashmir, Judge, High Court of Delhi and Think Tank Member, FICCI CASCADE highlighted the harmful effect of smuggled and counterfeit goods shared the importance to introduce and enhance laws related to such crimes and make the requisite deterrents to dissuade those indulging in it.

Mr. Uday Shankar, President, FICCI welcomed the dignitaries and complimenting the government's call for Vocal for Local said, “an 'Atmanirbhar Bharat' will not only increase share of manufacturing in the country's GDP, create job opportunities in India and drive home the value of indigenously produced goods, but will also build 'Brand India' and deter cross border illicit trade.

The perpetrators of illicit trade have made deep inroads into popular pandemic products like sanitizers, face masks, PPE Kits, medicine, disinfectants, toiletries and much more. The fake FMCG market is growing at an annual rate of 44.4% which is higher than the growth rate of the overall FMCG market. Moreover, 3 lakh crore of FMCG products circulated in India are counterfeit. Highlighting this challenge, **Mr. Anil Rajput**, Chairman, FICCI CASCADE said, “It is a fact that the Industry is reeling under the impact of the COVID pandemic with some sectors expected to make faster recovery. While for many others it will be a slow and painful way back to the pre-COVID levels.” Drawing similarities between illicit trade and the

COVID pandemic, Mr. Rajput said, “COVID virus and illicit trade have a lot in common as both cause immense economic, social and individual distress. While we are at a point of countering the virus, it is illicit trade that has and continues to damage humankind in a massive manner”.

The two-day long event, which was held virtually on 21-22 January:

- Looked at the economic consequences of counterfeiting and smuggling and the policies needed to deter this activity.
- Contributed to an integrated vision of security and public safety.
- Deepened the understanding of “grey markets” for smuggled and counterfeit goods which has seen a surge during COVID times.
- Assessed the impact and tried to provide practical recommendations and effective strategies to mitigate this challenge especially in a post COVID era.

Various issues such as Illicit trade amid public health crisis; Placing Public Health and Safety at The Heart of The Fight Against Smuggling and Counterfeiting and Quarantining Counterfeiting and Smuggling – Accelerate Action Against Criminals among others were deliberated in the two-day dialogue. The need for a systematic treatment and persuasion by global community for stronger enforcement to combat this menace was reiterated by a host of notable international speakers from World Customs Organization, INTERPOL, OECD, TRACIT, UKIPO, Italian Law Enforcement Agency, senior enforcement officers from the field and captains from the industry.





WCO STRESSES THE IMPORTANCE OF PARTNERSHIP WITH THE BUSINESS COMMUNITY TO TACKLE THE NEGATIVE EFFECTS OF ILLICIT TRADE ON CITIZENS' HEALTH AND SAFETY – JANUARY 25, 2021

At the invitation of the Federation of Indian Chambers of Commerce and Industry (FICCI), the **WCO Secretary General, Dr. Kunio Mikuriya**, delivered a virtual opening speech at the 7th Edition of "MASCRADE 2021" - Movement against Smuggled & Counterfeit Trade which was held on 21 January 2021.

The aim of the meeting was to foster a healthy discussion on the latest practical strategies to mitigate the challenges posed by counterfeiting and smuggling, especially in the post-COVID-19 era.

Together with the Union Minister of Health and Family Welfare, Dr. Harsh Vardhan, and other dignitaries, Dr. Mikuriya stressed the importance of Customs-Business Partnership in the fight against smuggling and counterfeiting, especially in the context of the COVID-19 pandemic.

Secretary General Mikuriya described the role of Customs during the pandemic, under the WCO's leadership, in ensuring the smooth cross-border movement of essential goods, including medicines and medical supplies. He explained that the Organization's robust partnership with its stakeholders had resulted in the issuance of guidance documents and in proactive joint actions with partner international organizations in trade and transport, aimed at addressing bottlenecks and also at assisting micro, small and medium-sized enterprises (MSMEs) at the peak of the crisis.

To counter the various security risks exacerbated by the pandemic, namely counterfeiting and smuggling, Dr. Mikuriya emphasized the need for Customs officers to base their risk analysis on accurate and advance electronic data on each cargo shipment as well as on information provided by business. Accordingly, Customs and the private sector should work hand in hand to adapt to the new business environment. He also informed the audience about WCO Operation STOP to combat illegal trafficking linked to the COVID-19 pandemic. Some 99 WCO Members had taken part in the Operation, which had resulted in substantial seizures of medicines and medical supplies.

Dr. Mikuriya noted that according to data obtained from seizures, small packages linked to E-Commerce were one of the main ways of transporting illicit goods. He therefore recommended implementation of the WCO Framework of Standards on Cross-Border E-Commerce for enhanced partnership and use of advance information to tackle this risk. He added that data also revealed that free trade zones were being exploited for illicit activities, taking advantage of a lack of appropriate oversight. In this regard, he referred to the new WCO Guidelines on Free Zones to address this issue.

Secretary General Mikuriya concluded by stating that given the challenges ahead, the WCO would dedicate 2021 to Recovery, Renewal and Resilience for a sustainable supply chain, with the support of the Customs community.



In Conversation with
DR. MUKTESH CHANDER, IPS
SPECIAL COMMISSIONER- OPERATIONS, DELHI POLICE
JANUARY 8, 2021

FICCI CASCADE organized an “In conversation with Dr. Muktesh Chander, Special Commissioner, Delhi Police,” on 8 January 2021. The objective of this session was to throw light on the scenario of counterfeiting and smuggling in India, increasing cyber-crime during the pandemic, and strengthening enforcement & surveillance mechanism to address the issue of counterfeiting and smuggling in the current crisis.

Dr. Muktesh Chander, Special Commissioner, Delhi Police said that “Actual occurrences of cases of counterfeiting and smuggling are much more than reported.” He further added that the increasing surveillance, creating public awareness and coordination amongst law enforcement agencies and stakeholders are vital to counter the problem of counterfeiting and smuggling effectively.

Speaking at the 'In Conversation Series', Dr. Chander discussed the scenario of counterfeiting and smuggling in India, need for greater cyber security & cyber hygiene and strengthening enforcement & investigation mechanism to address illicit trade.

Mr. Anil Rajput, Chairman, FICCI CASCADE said, “In India, since lockdown, our enforcement agencies have raided and seized smuggled, spurious and counterfeit sanitizers, masks, PPE Kits, disinfectants, toiletries and cosmetics, electronic goods, cigarettes, packaged food, spices, alcohol and several

other items across various states. They not only put a spoke in illicit trader's wheels but remained in an absolutely perfect state of alertness, thereby thwarting many attempts by them to spread their illegal, illicit, and sub-standard products.”

Mr. Deep Chand, Former Special Commissioner, Delhi Police and Advisor, FICCI CASCADE said, “Counterfeiting and smuggling are serious crimes damaging the world economy while the common consumer faces health and safety issues and the genuine industry suffers a huge loss due to illicit products.” He further emphasised that COVID-19 has provided opportunity to criminals to exploit the current situation to find new ways to make money. They are increasing and diversifying their activities through a wide range of crimes and scams which exploit the fear and uncertainty surrounding the virus.

FICCI CASCADE has been over the years working closely with government, industry, enforcement officials, legal fraternity, consumer organizations and the youth to create awareness on the adverse impact of the problem of counterfeiting and smuggling. One of FICCI CASCADE's mandate is capacity building of law enforcement agencies and it has worked extensively and intensively in this area; organizing training programmes for police officers across India and interactions with the law enforcement authorities to emphasize on the importance of awareness and seriousness of the impact of counterfeit and smuggled goods.

<https://www.ficcicascade.in/in-conversation-with-dr-muktesh-chander-ips-special-commissioner-operations-delhi-police/>



*In Conversation with***MR. BALESH KUMAR****PR. DIRECTOR GENERAL, DIRECTORATE OF REVENUE INTELLIGENCE**

DECEMBER 23, 2020

Illicit trade in terms of smuggling and counterfeiting is undeniably one of the greatest risks globally impacting legitimate economic activity and facilitating an underground economy and organized crime that deprives governments of revenues for vital public services, forces higher burdens on taxpayers, incurs job losses and exposes consumers to dangerous and ineffective products. Unfortunately, the problem has only compounded in the current COVID crisis, where criminals have used the pandemic as an opportunity to increase their nefarious activities, causing significant damage on the economy of the nation, health, and safety of the consumers.

The Directorate of Revenue Intelligence (DRI), which is the country's premier counter-smuggling agency has consistently and effectively adapted to the new challenges brought in due to change in the economic scenario. Even in this challenging scenario, DRI officers have been fulfilling their responsibilities with utmost dedication and zeal and are playing a vital role in strengthening the economic and physical security of the country.

In order to discuss the threats posed by smuggling to India's security and economy and the pattern of smuggling due to

COVID-19, FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADe) organized an 'In Conversation with Balesh Kumar, Pr. Director General, Directorate of Revenue Intelligence' on 23rd December 2020.

Mr. Balesh Kumar, Pr. DG, DRI emphasised that "National security needs to be looked at holistically. We must understand that economic security cannot be treated as something separate from physical security." Speaking on the challenging security environment that India faced, Mr Kumar underlined the need for all law enforcement agencies to have a constant vigil to prevent smuggling as well as to ensure that necessary inputs were available to prevent potential terror attacks funded both externally and internally.

"Sealing of borders is not enough to secure the hinterland. Issues relating to security can travel across the borders very quickly into India and for that we must have a clear strategy of comprehensive approach of looking at the internal security in conjunction with external security as well as physical security along with economic security," he added. Highlighting the unwavering efforts of DRI officers during the unprecedented coronavirus crisis, Mr. Kumar informed



that DRI has strategically focused on smuggling of cigarettes and gold this year seizing illicit cigarettes worth Rs. 45 crores and gold worth Rs. 275 crores in the last 9 months.

While having a conversation with Mr. Balesh Kumar on various aspect of the problem along with the preparedness of enforcement agencies in terms of adequacy of manpower and resources, and terrorism financing through the proceeds of smuggling, **Mr. PC Jha**, Former Chairman, CBIC and Advisor, FICCI CASCADE said, "Smuggling of items such as cigarettes, narcotics, substandard food items and medicines leads to severe health hazards. The unaccounted profit generated through smuggling is also utilised to finance global terror activities."

Mr. Anil Rajput, Chairman, FICCI CASCADE welcomed Mr.

Balesh Kumar and Mr. P C Jha and said that It is indeed heartening to see the efforts made by the officers of DRI to protect infiltration of illicit goods surreptitiously into our marketplaces. However, with increasing number of seizures being reported every day, it is highly possible that the total seizures may just be the tip of the iceberg of a much larger network. Mr. Rajput also urged the enforcement agencies to keep up their already impressive work and ensure that such mischievous elements are kept at bay.

Mr. Deep Chand, Advisor, FICCI CASCADE and Former Special Commissioner of Police, New Delhi in his concluding address thanked the Director General and his team who have over the years gone from strength to strength in preventing outright smuggling and safeguarding the economic frontiers of our country.

<https://www.ficcicascade.in/in-conversation-with-mr-balesh-kumar-pr-director-general-directorate-of-revenue-intelligence/>



FICCI CASCADE
presents

IN CONVERSATION WITH
MR. BALESH KUMAR
Principal Director General,
Directorate of Revenue Intelligence

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23rd DECEMBER 2020  **3 PM**

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MR. PC JHA
Former Chairman, CBIC and Advisor, FICCI CASCADE

RECENT INITIATIVES

In Conversation with

PROF ARUN KUMAR

MALCOLM ADISESHIAH CHAIR PROFESSOR, INSTITUTE OF SOCIAL SCIENCES

NOVEMBER 13, 2020



Smuggling and counterfeiting which are termed as illicit trade is the world's largest growing economic menace. Owing to its rather complex nature, its size is hard to determine. However, various estimates suggest that over the last ten years, the magnitude of illicit trade has grown from USD 650 billion to about USD 3 trillion, and this criminal activity represents 10 per cent of the global trade, being rightly termed by the FBI as the 'crime of the 21st century'.

FICCI CASCADE organized an "In conversation with **Prof Arun Kumar**, Malcolm Adiseshiah Chair Professor, Institute of Social Sciences" on 13th November 2020. Conversation between Prof Kumar and Mr. Najib Shah, Former Chairman, CBIC and Think Tank Member, FICCI CASCADE, was focused on the multifaceted aspects of illicit trade, understanding the risks caused by such activities and the remedial measures to contain the menace.

Mr. Anil Rajput, Chairman, FICCI CASCADE in his remarks said that illicit trade is undeniably one of the greatest risks globally. Unfortunately, the problem has only compounded in the current COVID crisis, where criminals have used the pandemic as an opportunity to increase their nefarious activities, causing significant damage on the economy of the nation, health and safety of the consumers. There is a need to check and substantially reduce the illicit market operations and create a conducive environment for growth and development.

Structural changes, simple tax system and accountability at all levels will help in the reduction of black income, suggested **Prof Arun Kumar** while addressing the in-conversation series. A holistic view of black market is required, and it needs the involvement of law-and-order machinery. Prof Kumar added that the potential rate of growth of the economy in the absence of black money will be 5% higher.

Mr. Najib Shah, Former Chairman, CBIC and Think Tank Member, FICCI CASCADE said that the manifestation of black money in social, economic and political space of our lives has a debilitating effect on the institutions of governance and conduct of public policy in the country and the connection between black economy and illicit trade is also palpable. It is evident that the hazards of illicit trade are serious which needs to be dealt with sincere commitment leading to result-oriented effective steps addressing this challenge.

Mr. Arun Chawla, Deputy Secretary General, FICCI while delivering the concluding remarks said that in spite of several measures which are being undertaken by the government, steps are required, both in the form of policy intervention and awareness generation to combat the problem of illicit trade and the related underground economy. There is a need to work towards an effective strategy to strengthen our systems and increase enforcement against such mal-practices.

<https://www.ficcicascade.in/in-conversation-with-prof-arun-kumar-malcolm-adiseshiah-chair-professor-institute-of-social-sciences/>

Webinar on **COMMUNICATION, COORDINATION AND COLLABORATION -STRENGTHENING THE FIGHT AGAINST COUNTERFEITING AND SMUGGLING-** NOVEMBER 26, 2020

It has long been known that counterfeiting and smuggling 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 the world's largest growing industry, and its size is estimated to range between \$650 million to \$3 trillion according to multiple studies.

No country is immune to the impact of counterfeiting and smuggling and no single sector can be said to be an exception. The wide availability of such products is one of the biggest challenges faced by Indian industry, impacting 'Brand India' globally.

FICCI has been focusing on the need to curb the problem of 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 works closely with industry, consumers, media, legal experts, consumer organizations and government to create awareness on how counterfeiting and smuggling have become a serious menace to public health and safety, and why all concerned must make a concerted effort to contain this menace.

in spite of several measures taken by all stakeholders to contain counterfeiting and smuggling, further steps are required, both in the form of policy intervention and awareness generation to address this socio-economic scourge. It is with the above background, **FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCAD)** organized a webinar on 'Communication, Coordination and Collaboration -



RECENT INITIATIVES

Strengthening the fight against counterfeiting and smuggling' on 26 November 2020.

Dr. Amar Patnaik, Member of Parliament, Rajya Sabha in his keynote address at the webinar elaborated that in order to drive India's economic resurgence, the parallel economy in counterfeiting and smuggling has to be addressed. This would help if India wants to achieve a \$ 5 trillion economy in 2025 and aim to take it to \$ 10 trillion by 2027. He further added that measures such as public policy and strong enforcement are much needed to address this twin threat.



Mr. Anil Rajput, Chair, FICCI CASCADE in his welcome address said that despite several measures taken by all stakeholders, further steps are required, both in the form of policy intervention and awareness generation to address this socio-economic scourge. Mr. Rajput further reiterated the need for establishing a coordinated national strategy to share intelligence, best practices, and cooperation on cross-border investigations to contain smuggling and counterfeiting.

While highlighting the need for all the stakeholders to work in sync to combat this menace, **Mr. Deepankar Aron, Commissioner, GST (Appeals),** Dehradun, Uttarakhand said, "Right data sharing with the right people at the right time is important in order to address this issue." Further, on the enforcement scenario, Mr. Aron said, "In just one-year, fraudulent imports exports worth Rs 2000 crore were detected leading to 200 arrests on white-collar crimes by the DRI, Eastern region."

FICCI CASCADE has been over the years conducting multi-stakeholder dialogues focusing on identifying opportunities for joint actions between governments, enforcement agencies, industry and consumer organizations to combat this menace. The webinar brought together policymakers,

think tanks, enforcement agencies, industry, and consumer organizations to deliberate on industry issues in tackling the flow of counterfeit, smuggled, and spurious products not only in the offline markets but on the online market space too.

The webinar saw participation from the e-commerce giant, Amazon who's Director for Category Management, India, **Mr. Noor Patel** discussed measures that Amazon employs to check the proliferation of the issue and highlighted their innovative mechanisms and advanced technology solutions in blocking and tracing bad actors. **Mr. Milind Palany,** Global Brand Protection Lead - India & South Asia, Johnson & Johnson discussed the collaborative role of government and industry

in thwarting this menace such as the need for collaboration with customs through data sharing mechanisms and knowledge dissemination. Speaking on the role of consumers, **Prof. Bejon Kumar Misra,** International Consumer Policy Expert, JAGO GRAHAK JAGO stated that there is a need to engage consumers more effectively if counterfeiting and smuggling needs to be tackled successfully.

It is unfortunate that the problem of smuggling and counterfeiting has only compounded in the current situation where the world is facing severe disruptions due to COVID-19. The criminals, on the other hand have used the pandemic as an opportunity to exploit the vulnerable consumer and organizations causing significant damage. **Mr. Deep Chand, Former Spcl. Commissioner of Police, New Delhi and Advisor, FICCI CASCADE** in his concluding remarks said that It is imperative that businesses take proper steps to protect consumers from the proliferation of scammers and infringers that seek to take advantage of the current crisis.

Webinar on

COMBATING COUNTERFEIT, SMUGGLED AND PIRATED GOODS DURING THE COVID-19 PANDEMIC AND BEYOND

OCTOBER 27, 2020, KERALA



Illicit trade, smuggling and counterfeiting have been a huge challenge for humankind for many decades where they rob the government of its rightful revenue, pose health and security hazards to citizens and create a plethora of problems for the society at large. While the centre and state governments have been playing a proactive role in dealing with this issue, FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE) has also been highlighting the ill effects of this adversary and eliciting response from stakeholders to concertedly address this problem especially during the current crisis. It is with the above background that FICCI CASCADE organized a webinar on 'Combating Counterfeit and Smuggled and Pirated goods During the COVID-19 Pandemic and Beyond', on 27th October 2020 focusing on the State of Kerala. The webinar was a part of a series of such

events which are being organised across the country as part of a nation-wide awareness campaign to highlight the issue and focus on the growing menace of illegal trade.

Mr. P Thilothaman, Minister for Food and Civil Supplies, Govt. of Kerala, was the Chief Guest at the webinar. In his inaugural address, Mr PThilothaman said, "We need to create consumer awareness and substantially reduce the illicit market operations for a conducive environment for growth and development in the country." He further added, "Consumer awareness on fake and smuggled goods is low and hence many consumers are unaware that they are buying such goods and equally unaware of the consequences. Protecting and promoting the welfare of consumers has become one of the major concerns of our government and organizing awareness programs such as



these will help to educate and sensitize the consumers."

Mr. Anil Rajput, Chairman, FICCI CASCADE welcomed the dignitaries and during his address, complimented the Kerala Government for their high levels of vigil to deter any illicit activities in the state. He said, "Despite having multitude of challenges owing to COVID-19, the enforcement agencies of Kerala have seized large number of illicit liquor, fake sanitizer products, gold, tobacco products and much more." Highlighting the Prime Minister's Vocal for Local initiative, Mr Rajput emphasised, "I could not imagine a better time for the Hon'ble Prime Ministers clarion call of Vocal for Local-Atmanirbhar Bharat, which to my mind could alleviate the pain and catapult India to even greater heights in the future."

Dr. M I Sahadulla, Co-Chair, FICCI Kerala State Council and MD, KIMS Healthcare Management Ltd. said, "Kerala being a consumer state, the opportunity is more for illicit traders. Hence, it is essential to create awareness and put an end to such nefarious activities."

Mr. P. C. Jha, Advisor, FICCI CASCADE and former Chairman, Central Board of Indirect Taxes and Customs in his address said that among the different aspects of economic activity, manufacturing in small and medium enterprises which engages large number of people has been severely impacted because of COVID-19 and lockdowns and hence there is an urgent need to put it back on its feet. Promoting local manufacturing and use of indigenous products will not only increase share of manufacturing in the country's GDP, create job opportunities in India and drive home the value of indigenously produced goods, but will also build 'Brand India' and deter cross border illicit trade.

Perspectives from Kerala Police was shared by **Mr. S Sreejith**, IG, Crime, Kerala Police; **Mr. Sumit Kumar**, Commissioner of Custom, Preventive, Kerala Customs shared the custom department's vision in addressing the issue. Some of the key suggestions included:

- Need for a wide scale programme to educate both industry and citizens about the dangers of smuggled and counterfeit goods.
- Convergence of the stakeholders to address the menace of counterfeiting and smuggling.
- Information based preventive action is a key tool to catch the perpetrators of illicit trade.

The webinar was also addressed by industry leaders from diverse sectors including **Mr. Deepak L Aswani**, Co-Chair, FICCI Kerala State Council and Managing Partner, Lachmandas & Sons; **Mr. V Noushad**, Managing Director, VKC Group Companies; **Mr. Varkey Peter**, Managing Director, Mothers Agro Foods Pvt Ltd.; **Mr. Paul Francis**, Managing Director, KLF Nirmal Industries (Pvt) Ltd and **Mr. Dileep Narayanan**, Head-Bullion & Treasury, Malabar Gold Private Ltd. They highlighted that the problem of illicit trade has only compounded in the current situation, where criminals have used the pandemic as an opportunity to cause significant damage on the economy of the nation, health, and safety of the consumers. The speakers also reiterated that consumer safety, safeguarding legitimate businesses while promoting indigenous production will play a significant role in the path to our economic recovery.

<https://www.ficcicascade.in/webinar-on-combating-counterfeit-and-smuggled-and-pirated-goods-during-the-covid-19-pandemic-and-beyond-kerala/>



CAMPAIGN ON #MYCOVIDSTORY

OCTOBER, 2020

Sharing is caring, and there is no better time to share inspiration, ideas, and stories than now! The #MyCovidStory and #PeopleofCASCADE campaign was a storytelling initiative and a part of FICCI CASCADE's (Committee Against Smuggling and Counterfeiting Activities Destroying the Economy) response to the COVID-19 pandemic. It was a story-telling competition where participants shared their experiences on: how they felt, acted, and thrived from their encounter with counterfeit, fake and smuggled products during the challenging Covid-19 times. The objective of this competition was not only to generate awareness on the issues of counterfeiting and smuggling but also to inspire people to shun illicit products.

FICCI CASCADE has been actively working towards consumer awareness by highlighting the menace of fake, counterfeit and smuggled products, besides emphasizing how such illicit trade activities has become a serious threat to

public health and safety. The COVID-19 pandemic has unfortunately seen a surge in the availability of fake, falsified and substandard medical, healthcare and other consumer products. Many people are day-in-day-out proving to be key actors when it comes to finding solutions to global problems such as counterfeiting and smuggling. My COVID Story was an open invitation to all to share their stories by means of written testimonials to amplify their voices; CASCADE received an overwhelming response from people and shared their impactful stories on its social media handles.

Esteemed member of FICCI CASCADE Think Tank: Mr. Najib Shah, Former Chairman, Central Board of Indirect Taxes and Customs, Mr. Hem Kumar Pande, Former Secretary, Ministry of Consumer Affairs, Food and Public Distribution and Ms. Kameswari Subramanian, International Expert, Customs Law, Procedures & Trade Facilitation judged the competition. Winners of the competition were:

<https://www.ficcicascade.in/campaign-on-my covidstory/>





Najib Shah
Former Chairman CBIC and
Think Tank Members FICCI CASCADE

LETHAL FOES

Through its use of general awareness campaigns and policy recommendation documents, CASCADE continues to battle the twin evils of smuggling and counterfeiting that plague the nation

Lethal foes

Through its use of general awareness campaigns and policy recommendation documents, CASCADE continues to battle the twin evils of smuggling and counterfeiting that plague the nation

Category	Impact
Smuggling & Counterfeiting	High
Customs productivity	Medium
IT appliances & electronics	Medium
Auto-Parts & Spare parts	Medium
Sports, Fitness & Hobbies	Medium
Textiles, Fashion & other garments	Medium
Health & Beauty products	Medium
Automobile accessories	Medium
Stationery & Office	Medium

CASCADE
Committee Against Smuggling and Counterfeiting Activities

Destroying the Economy? Lets focus upon the challenging task of generating awareness among the citizens about the heinous impact of smuggled and counterfeit products through a series of brilliant social media campaigns

Smuggling is among the oldest professions, its origins lost in obscurity. As Adam Smith, philosopher and towering figure in the history of economic thought, had noted in his "An Inquiry into the Nature and Causes of the Wealth of Nations" Customs, meaning customary payments, has existed since time immemorial. (Incidentally he had in his book, defended smuggling as a legitimate activity till ironically by a twist of fate, he was appointed as the Scottish Commissioner of Customs and had to enforce laws to curb smuggling!).

Customs has evolved considerably since; they act as guardians of the economic frontiers of the country. Smuggling has come to mean any act whereby the fiscal laws of the land are sought to be evaded- be it to not pay taxes, to pay lesser taxes than due, to evade restrictions or prohibitions imposed.

India has a 15,200 km long land border contiguous with seven countries, 85 land customs stations, 7516 km long coast line, 13 major ports, 34 international airports, customs freight stations and inland customs depots in excess of hundred. It has an economic policy where there were and are, some restrictions on imports, and a tariff on the higher side. Consequently, it has always been vulnerable to smuggling. Smuggling, after all, at its most basic is an economic activity-movement of goods from one place to another to take advantage of restrictions and cater to demand.

Once the twin criteria of demand and restrictions are met, the range of goods vulnerable to smuggling are mind boggling. From gold, textiles, VCR's, cassettes, silver, zip fasteners in the days of yore, to gold, tobacco, drugs, red sanders wood, violations of CITES, now. This is apart from misdeclaration - of value or description to pay lesser taxes than due or avoid restrictions.

Every time there is smuggling, it triggers a host of other violations. There is loss of revenue and generation of unaccounted money which contributes to the black economy. There is consequent violation of income tax, illegal transfer of funds abroad to settle accounts with the supplier, resulting in violations of the Foreign Exchange Management Act (FEMA), and Prevention of Money Laundering Act (PMLA). And most importantly such illicit money funds terrorist activities.

Closely linked are violations of a different kind- but with the same insidious consequences. Violations of intellectual property rights. At its most basic it is little better than theft-theft of somebody's work. Intellectual property manifests its self as copyright. It manifests its self as patent; an exclusive right granted for an invention. As a trademark, a sign capable of distinguishing the goods or services; as an industrial design which constitutes an ornamental aspect of an article, and sometimes as geographical indication- qualities or reputation because of the origin.

Tragically violations of intellectual property are not viewed seriously- though the consequences are as pernicious as smuggling. Enforcement of intellectual property violations are primarily with the hard-pressed police – and it figures very low in their list of priorities.

The sale proceeds generated out of counterfeit goods, like those of smuggled goods, are outside the pale of taxation. Worse, safety standards are compromised like in the case of auto components or pharma products, responsible for innumerable deaths. Consumers

are cheated-buying products which they think are genuine and paying genuine prices for what are imitations of the original.

The Seventy Third report of the Parliamentary Standing Committee of Finance in its report submitted to the Lok Sabha in March 2019 had estimated the illicit financial flows from out of the country were on an average annually in the region of 10% of the total unaccounted money generated in the country. This translated into illicit outflows in the region of USD 219 billion to USD 490 billion. These estimates were on the basis of the reports of the leading economic think tanks of the country- National Institute of Public Policy and Finance (NIPFP), National Council of Applied Economic Research (NCAER) and National Institute of Financial Management (NIFM). It has been estimated in yet another study that India's black economy is about 62% of GDP (at 2016-17 prices) – about Rs. 93 lakh crore. To put things in perspective, this is larger than the size of the government (both centre plus states) spending.

This is humongous. The public at large have an idea of smuggling thanks to the romanticization of this illegal activity in films. They have very little idea of violations of intellectual property. While, policy makers and enforcement agencies the world over are engaged in curbing these menaces, the fact remains that all such activities of smuggling and IP violations are a consequence of the twin factors of policies and demand. This is where FICCI CASCADE steps in.

CASCADE which is an acronym for Committee Against Smuggling and Counterfeiting Activities Destroying the Economy has taken upon the challenging task of generating awareness among the citizens about the hazardous impact of smuggled and counterfeit products through a series of brilliant social media campaigns. CASCADE believes in catching them young and has focused on schools to spread awareness across the country.

CASCADE has engaged with policy makers to tighten loop holes. CASCADE generates regular reports which provide ample food for thought to the policy maker-the last study being on the impact of these activities on employment, an area on which little research has been done thus far. CASCADE has engaged with enforcement officials keeping them abreast of the latest in the fight against smuggling and counterfeits.

But enforcement and policies can only do that much. It is public awareness which ultimately is the key. The Department of Consumer Affairs' awareness campaign of Jaago Grahak Jaago is an essential step in this direction. If the public are made conscious of the fact that smuggled and fake goods hurt them as much as the country ; if they are made aware that money collected from taxes is money which is used for the public good which is lost now ; if they become aware that that illicit proceeds finance criminal activities ,then perhaps they would not compromise their own health and the health of the nation to buy a cheaper product. If they put up a united front to never buy a smuggled or a counterfeit product, if demand can dry up than the very basis of these activities will also cease. That, will be the day. Till then, policy makers, enforcement agencies and CASCADE have their work cut out.



Hem Kumar Pande
Former Secretary
Ministry of Consumer Affairs,
Food and Public Distribution

CURBING THE MENACE

Any effort to push back the tide of counterfeiting and smuggling in the Indian market must rely on increasing consumer awareness while also ensuring adequate enforcement

Consumers today understand the multi-faceted complexities of counterfeit and smuggled market, especially in the context of ongoing pandemic. It's economic impact on businesses, the magnitude and scale of operations, and the consequent adverse impact on consumer health and safety. Manufacturing, altering or distributing a product that is of lesser value than the genuine product with the intention of misleading the buyer about the genuineness of product is unlawful. Fake medicines, food, toys, auto parts and health products including sanitisers and masks can be dangerous and can potentially harm or even kill unsuspecting consumers.

There are reports during the pandemic of fake sanitisers and masks. Unsuspecting users are falling prey to cheaper imitations further compounding threat to their health. Need of the hour is to be more cautious both at the level of a producer and also a consumer. Brands and service providers need to be more aggressive in ensuring that no counterfeit comes in the market, so also a consumer, who should not fall prey to cheaper counterfeits or smuggled products. Regulatory authorities and industry associations need to come forward in a big way to curb the menace of counterfeiting and smuggling especially during a pandemic.

Indian Consumer Protection Act, 2019 provides for six rights of a Consumer. The new Act has a slew of measures and tightens the existing rules to further safeguard consumer rights. The government has set up a three tier institution (NCDRC, SCDRC and DCDRC) to address an important right of a consumer, that is, Dispute Redressal between a buyer

and a seller. Out of the remaining five rights, two (educating a consumer about a particular product or service and hearing consumer complaints promptly) come within the exclusive domain of the brands and the industry. Trust that a brand builds with its consumers is consumer empowerment through education and quick learning (accessible brand promoter to hear consumer complaints and provide for speedy redressal). Remaining three rights of a consumer, namely, safety; information and choice of a product or service could be a combined effort of the Governments (including Voluntary Consumer Associations) and brands (Industry Associations).

While the Consumer Protection Act is a stepping-stone towards empowering the consumers; the consumers must also act responsibly and cautiously while making any purchase to avoid being duped by illegal sellers. India needs to focus on two things, namely, consumer awareness and aggressive enforcement. FICCI CASCADE (Committee Against Smuggling and Counterfeiting Activities Destroying the Economy) has been at the forefront of generating awareness amongst consumers and sensitizing enforcement agencies on the ill impacts of such practices. Consumer awareness in India is still in its infancy. Government of India has a multimedia campaign "Jago Grahak Jago" to empower consumers about their rights and duties. What is required is an impetus to this campaign with reference to fake, smuggled and spurious products. However, brands also need to supplement the efforts of the Government (both national and subnational) on consumer awareness, as it is not possible for the Governments alone to carry out this campaign exclusively for industry.

The first step to solving a problem is acknowledging that there is a problem, and this shows that we are on the right path. Although there are enough laws that deal with counterfeits and how to tackle them, improvement in terms of implementation is required, as these laws need to evolve with an ever-evolving environment. Government of India have done good work on its various initiatives including the national IPR policy in 2016; IPR enforcement rules at the border or the establishment of a Cell for IPR Promotion and Management (CIPAM) for spreading awareness and upgrading the understanding environment amongst enforcement authorities.

Having said that, industry and brand owners often face challenge on enforcement issues with cases related to counterfeiting and smuggling. Currently, this matter lacks the desired attention from policy makers and lack of coordination amongst the various departments in the government. A nodal agency, perhaps, could be the answer, where there is seamless flow of information and where enforcement agencies can come together (regulatory, the customs, the law & enforcement) to talk to each other for speedy enforcement so that the issue at hand can be handled efficiently and speedily.

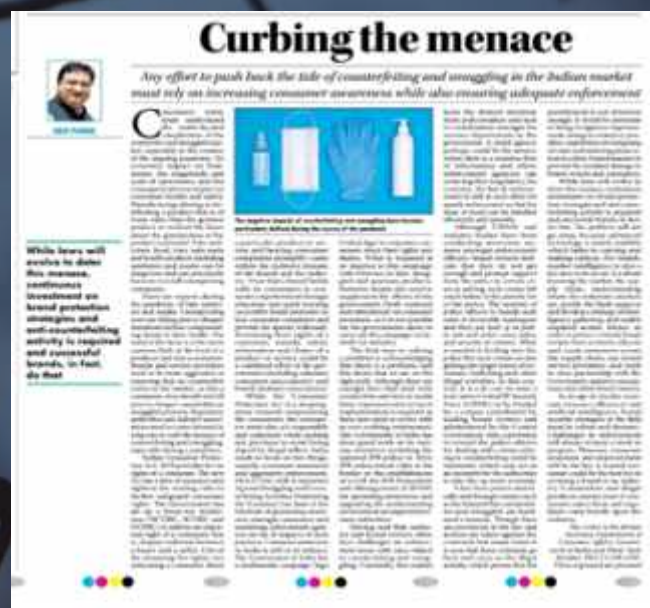
Although CIPAM and industry bodies have been conducting awareness sessions amongst enforcement officers, brand owners indicate that they do not get enough and prompt support from the police in certain cities as solving such crimes fall much below in the priority list of the police. The number of police officers to handle such cases is invariably inadequate and they are tied up in public law & order cases, safety and security of citizens. What is needed is feeding into the police that such crimes are also getting into larger

issues of terrorism, trafficking and other illegal activities. In this context it is a fit case to raise a tech savvy Central IP Security Force (CIPSF), to be funded by a corpus contributed by leading brand owners and administered by the Central Government. Also, a provision to reward the police officers for dealing with crimes relating to counterfeiting could be instituted, which may act as an incentive for the authorities to take this up more seriously.

It has been proven statistically and through studies such as the Interpol that counterfeiters and smugglers are hardened criminals. Though there are provisions in the law and actions are taken against the criminals but many times it is seen that these criminals go back and carry on the illegal activity, which proves that the punishment is not deterrent enough. It would be pertinent to bring in rigorous imprisonment, stringent monetary penalties, expeditious investigating of cases and ensuring prosecution in a time bound manner to prevent the resultant damage to brand owners and consumers.

While, laws will evolve to deter this menace, continuous investment on brand protection strategies and anti-counterfeiting activity is required and successful brands, in fact, do that. The problem will not go away, because advanced technology is widely available which helps in copying and making replicas. For brands, market intelligence is also a key area to focus on. It is about knowing the market, the supply chain, understanding where the notorious markets are, profile the likely suspects and develop a strategy of intelligence gathering and enable required action. Hence, in order to protect a brand, brand owners have to make investment; educate and create awareness across the supply chain; use tested service providers; and work in close partnership with the Government, industry associations and other brand owners.

In an age of circular economy (resource efficiency) and artificial intelligence, it is imperative that brand security strategies in the field are robust and dynamic. Challenges in enforcement will always remain a work in progress. However, consumer awareness and empowerment will be the key. A trusted consumer could be the best bet in securing a brand or an industry. Counterfeits and illegal products cannot exist if consumers reject them and regulators come heavily upon the violators.





P. C. Jha
Advisor FICCI CASCADE &
Former Chairman,
Central Board of Indirect Taxes and Customs

FROM THE ROOTS

Curbing rampant illicit trade in India is only achievable by disincentivising the practice

Across the globe, illicit networks are infiltrating and corrupting legitimate business markets, reducing productivity, and hampering investments in research and development, not to mention, jeopardizing public health and eroding the security of our institutions and governments. We are constantly at war with this invisible enemy, which has visible ramifications. Illicit trade has been around for centuries. However, it is the number of products and people involved, and the nefarious intentions that have increased manifolds in the recent years. Substantial profits derived from trafficking have led perpetrators to continuously develop more sophisticated techniques to carry out their evil activities.

Since, smuggling is a secret, hidden, and risky activity, there are several reasons which act as its determinants. The question whether high tariff rates and excessive regulations on goods are key causes for illicit trade has been much debated, but there is no reason to doubt its substantial reality. High import duty on manufactured and other goods increase price differential, and, therefore, provides financial incentives and motivation for engaging in smuggling activities. The empirical findings by Buehn and Farzanegan point that higher tariffs are important push factors for smuggling.

A case in point is gold which attracts a high import duty. It is estimated that up to one-fourth of the total volume of gold entering India arrives through illicit trade. During the year 2019-20 itself, smuggled gold valued at Rs 1828 crore has been seized by Indian Customs which is only a small portion of the total quantity smuggled to meet the ever insatiable demand of the people for this item.

A paper by OECD on 'Illicit Trade Converging Criminal Networks' emphasises how markets with the highest excise regimes tend to have greater problems with illicit trade, whether smuggling or counterfeiting. Since, indirect taxes such as customs duty, GST, excise, etc. have the effect to raise the prices of products, the financial rewards for those who avoid paying the taxes can be huge, and markets with the biggest 'tax opportunity' are most targeted. India is definitely a victim on this account.

We find another item, i.e., cigarettes which remains a highly taxed product, is hugely smuggled worldwide. A world customs journal states that experience across both advanced and developing economies demonstrates that the key economic drivers influencing the illicit tobacco trade are excessive tax levels, usually resulting in a sharp decline in the affordability of cigarettes through the licit supply chain. In India, high and constantly increasing tax rates provide a profitable opportunity for tax evasion through illegal trade in respect of both imported and domestically manufactured cigarettes. While legal manufacturers abide by regulations and invest heavily in innovation and product development, with brands serving as guarantees of quality and safety, It is unfortunate that extreme regulations provide further encouragement to the illegal cigarette trade in India, as they do not comply with tobacco control regulations of the Government.

It is important to note that on items like tobacco products and alcoholic beverages, since tax rates are kept high; there is lesser compliance and higher evasion. A TRACIT study on 'Mapping the Impact of Illicit Trade in Sustainable Development Goals' clearly elaborates how excessive regulations and restrictions on alcoholic beverages have acted as a key enabler for illicit alcohol trade.

India is one of the fastest growing economies of the world. This makes it a target of choice for all those indulging in smuggling and



counterfeiting. Combating illicit trade is essential if economies and societies are to be protected and made prosperous. FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE) has been at the forefront in understanding this complex adversary. Since its inception in 2011, it has been relentlessly working with policy makers, industry, enforcement agencies, and the society at large in generating public awareness on the twin threat of smuggling and counterfeiting. A recent study by CASCADE titled 'Invisible Enemy: Impact of Smuggling on Indian Economy and Employment' has estimated that due to smuggling, Indian economy incurred sales loss of Rs 1,17,253 crore, and further loss of 16.36 lakh livelihood opportunities during 2019-20 in just five key sectors namely - Textiles, Tobacco Products (Cigarettes), Readymade Garments, Capital Goods (Machinery and Parts) and Consumer (Electronics) Durables.

Over the years, several initiatives, collaborations, stakeholder consultations, policy and legislative work has been done to curb this threat. In spite of numerous measures which are being undertaken, India ranks low in the Global Illicit Trade Environment Index and needs quantifiable actions to minimise the risks of illicit trade on the economy. Apart from robust processes in place to catch the criminals who indulge in such activities, having a balanced tax regime and regulations that disincentivises illicit trade is the need of the hour. The government while taking taxation policy decisions needs to take this reality also into account.

For creating deterrence to curb illicit trade, it is necessary that it becomes substantially less profitable. This can only be done through measures such as keeping the indirect taxes at moderate levels; providing more severe penal provisions in the IPR and other concerned laws; ensuring that detection of offences become more certain; awarding of penalty on offenders is expeditious; and enforcement of applicable laws remains a high priority area of work of the government agencies like Police, Customs, Judiciary, etc. There is no escape from this even though it is difficult to achieve.



Anil Rajput
Chairman, FICCI CASCADE &
Senior Vice President-Corporate Affairs, ITC Ltd.

A MULTI-PRONGED THREAT

Illicit traders' widespread socio-economic ramifications can be curbed if domestic markets are fostered

In 2005, Moises in his well-known book 'Illicit' stated, "Global criminal activities are transforming the international system, upending the rules, creating new players, and reconfiguring power in international politics and economics." Even after a decade of those alarming words, illicit trading activities are distorting local economies, diminishing legitimate business revenues, fueling conflict, and deteriorating social conditions.

According to the World Economic Forum, Illicit Trade creates an annual drain on the global economy of USD 2.2 trillion - nearly 3% of the world's economy. If illicit trade were a country, its economy would be larger than Brazil's, Italy's, or Canada's, and as large as Mexico's and Indonesia's combined.

Evidently, activities involving illicit trade such as smuggling of goods across borders is a lucrative business, with criminals relying on the continued high demand for cheap goods coupled with low production and distribution costs. This illegal activity takes advantage of unaware consumers and bargain-hunters, exploiting people's appetites for brands or simply their financial situation.

There are many reasons for the smugglers to get into and expand their network. Criminal entrepreneurs involved in such nefarious activities are opportunistic by nature and seek to exploit market and regulatory arbitrage

opportunities for economic gain. High taxation on goods provides huge arbitrage prospect- It is high profit, as these products evade the duties and taxes that need to be paid.

This not only has a financial impact but also proves to be a physical threat to the consumers who in the process are exposed to severe health and safety risks as there is no guarantee given for such products and they do not pass any mandatory benchmarking and standardization processes.

More so, smugglers, by evading legal duties and taxes, are an extra burden for the government's budget. It will be appropriate to say that it is a twofold blow, not only is the government losing revenue, but it is also straining its exchequer due to increased spend on enforcement to check such criminal activities. Further, as developing countries rely more on indirect taxes as compared on direct taxes, low indirect tax collections may have harmful consequences for the government's ability to provide public goods and services such as quality healthcare, education, infrastructure etc. The provision of public welfare resources increases productivity of economy, and thus by not having them have a negative effect on development and economic growth. To add to it, the police and the other enforcement agencies are also hit by the resource crunch which exacerbates the problem of such grey market operations.

Global estimates indicate that due to illicit trade, the wider social, investment and criminal enforcement costs could touch to \$4.2 trillion by 2022, putting at risk 5.4 million "legitimate jobs." In the Indian context, due to smuggling activities the economy incurred a loss of Rs 1,17,253 crore, and a further loss of 16.36 lakh livelihood opportunities during 2017-18 in just five key sectors namely - Textiles, Tobacco Products (Cigarettes), Readymade Garments, Capital Goods (Machinery and Parts) and Consumer (Electronics) Durables.

Besides unemployment and massive financial losses, smuggling also creates large scale destabilization by fomenting crime, generating black money and funding devastating terror groups. Today, it is well known that the most notorious terrorist organizations of the world like AL-Qaeda, ISIS, HEZBOLLAH and many more are into illicit trade of oil, cigarettes, clothing, bags, mobile phones, antiques etc. They use the proceeds of this to fund their terror operations and play havoc with the lives of the people. As per estimates by UNODC, the profits that the transnational organized crime derived from the shadow industries have been estimated to be as high as \$ 870 billion which is equivalent to 1.5% of the global GDP. It is also seen that prominent terrorist organizations rely on illicit trade for financing up to 20% of their anti-social operations.

The World Customs Journal states that policymakers often underestimate how flexible, innovative and influential transnational criminal organisations have become. We may want to believe that the right mix of policy, regulation and law enforcement will somehow halt the flow of illegal and smuggled goods, but the reality is that illicit trade is a complex phenomenon that requires a much deeper understanding and multi-faceted solution-based approach.

Over the years, several initiatives, collaborations, stakeholder consultations, policy and legislative work has been done internationally to curb this threat. Industry, policy makers and enforcement agencies have come together through effective

public-private partnerships, to meet the governance and security challenges that threaten the prosperity of our economies and integrity of our markets and the health and safety of our people. Global programmes such as Interpol's trafficking in illicit goods and counterfeiting programme, OECD's Task Force on Countering Illicit Trade along with several initiatives by WIPO, EUROPOL, UNODC etc. addressing transnational organized crime and promoting legitimate business practices have been working concertedly to address this issue. In India, FICCI's CASCADE (Committee Against Smuggling and Counterfeiting Activities Destroying the Economy) is a dedicated forum which works in this direction. It has over the years engaged with the industry, Government, enforcement agencies, media and general consumers to deep dive into the issue and provide effective strategies to mitigate this challenge.

Domestic environment of the country affects the demand or supply and the final consumption of the illicit or smuggled goods. India ranks weakly at 60 place among 84 countries on the demand and supply parameter of the global illicit trade environment index. But it the Indian Prime Minister's clarion call of Vocal for Local that will be unsettling for the illicit traders and smugglers. After all, if more products are manufactured within the nation, the reliance for foreign goods will gradually come down and people will increasingly buy locally made goods and the footprint and profit margins of all involved in smuggling will begin to reduce. This along with measures such as leveraging technology for trade facilitation and monitoring, better co-ordination with anti-smuggling agencies, international collaboration and cooperation will hopefully make the desired dent and disincentivize this complex adversary.





Anil Rajput
Chairman, FICCI CASCADE &
Senior Vice President-Corporate Affairs, ITC Ltd.

FIGHTING THE FELONY

While governments across nations were committed to fighting cOVID-19, criminals viewed the crisis as an opportunity to expand and intensify their illegal operations

It has now been established beyond doubt that illicit trade is growing exponentially, and is increasingly putting the individual, societies and economies in harm's way. It is called the invisible enemy, a pure evil, that causes immense damage and compromises the safety and security of nations world over by fuelling the terror machine and organised crime networks.

According to several estimates, the global economy is losing more than US\$2 trillion annually due to smuggling, counterfeiting and other forms of illicit trade. Nations are increasingly recognizing the threat posed by this illegal business and are intensifying their efforts to create an effective deterrence against such activities. In India, FICCI CASCADE (Committee Against Smuggling and Counterfeiting Activities Destroying the Economy) is at the forefront of generating awareness on the detrimental impact of smuggled, contraband and counterfeit products amongst the consumers and citizens, building capacities of law enforcement agencies, proposing reforms, sharing best practices and providing knowledge and support to the industry members about this menace.

Over the years, FICCI CASCADE has been encouraged by the support of several international organizations which have worked assiduously in addressing this issue at the global level, and this eventually led to the emergence of MASCRATE (Movement Against Smuggled and Counterfeit Trade) in 2013. Since its inception, institutions such as WIPO, UNODC, Interpol, OECD, WCO, UKIPO, USPTO, US Department of Homeland Security, JETRO, Australian Border Protection, TRACIT, HMRC, Italian Law Enforcement and

others have joined hands with this initiative to fight and heighten our response against illicit trade.

MASCRADE has been the only forum in India which has played a pivotal role in creating awareness about the horrifying magnitude of this danger, find tangible solutions and chalk out a sustainable road map to blunt the impact of this unholy activity. In addition, with the objective of encouraging and acknowledging the work of our law enforcement agencies, each year MASCRADE and FICCI CASCADE felicitate the best performing officers for their outstanding achievement in the prevention of counterfeiting and smuggling, and enforcement of anti-smuggling and anti-counterfeiting laws.

Every year this dialogue has focussed on different facets of illicit trade and has tried to address it in the best possible manner. The previous six editions included:

- 1) 'Trade in Counterfeit, Pirated and Smuggled Goods- A Threat to India's National Security and Economy' (September 2013)
- 2) 'Illicit Trade- Threat to National Security and Economy' (January 2016)
- 3) 'Illicit Cross Border Trade in Goods- Impact on Economy and Consumers' (December 2016)
- 4) 'Protect Your Brand Globally Fight Counterfeiting, Smuggling and Piracy' (October 2017)
- 5) 'Ensuring Brand Security for Sustained Businesses and Employment Generation' (November 2018)
- 6) Containing Counterfeiting, Smuggling and Piracy: A Winning Strategy (September 2019)

This year, the theme of the conference was 'Impact of Counterfeiting and Smuggling on Personal Health and Safety'. After the deadly run of the Covid-19 virus world over in 2020, and its severe consequences that we continue to face in all dimensions of life, it became critical to understand and gauge the impact of smuggling and counterfeiting on public health and safety in the backdrop of the pandemic. While governments across nations were committed to fighting the coronavirus, the criminals viewed this crisis as an opportunity to expand and intensify their illegal operations. MASCRADE 2021 therefore intended to devise actionable and innovative solutions to reverse the rising tide of counterfeit, smuggled and spurious products. It was also important to generate increased awareness amongst stakeholders, and underscore the point, that if the spread of illicit trade is not checked, the consequences will be disastrous for societies and economies alike, especially in a post COVID era. It also became important to expose the proponents of illicit trade, and their complete disregard for humanity and ethics even when the world reeled under this tragedy.

With health taking centre stage over the past year, this edition of MASCRADE was inaugurated by Dr. Harsh Vardhan, Union Health Minister of India. The minister highlighted how the methods by which spurious, misbranded, and adulterated drugs which enter the distribution channel have become complex, and how the industry must play an active role to help identify and plug these loopholes. He also agreed that reviewing current regulations related to smuggling and counterfeiting, using latest technology to aid security forces and enforcement agencies, raising the penalties for those committing this crime, along with allocation of more financial and human resources to counter this activity are important areas

where adequate thrust should be given.

The two-day event which was held on January 21-22 witnessed wide participation from policymakers and stakeholders. Key issues such as Illicit trade amid public health crisis, flagging morale of genuine industry, placing public health and safety at the heart of the fight against smuggling and counterfeiting, funding of terrorism by illicit trade, to accelerating action against criminals were discussed in detail.

The forum also shared the best practices which have borne positive results to contain this problem and promoted the need for international enforcement cooperation which is vital for nations to mitigate this challenge. I am also of the firm belief that strong indigenous brands, are bound to reduce the country's dependence on foreign products, they will also subsequently demotivate the advocates of illicit trade by considerably reducing the footprint of foreign products in India, and eventually severely denting their profits and lowering their morale.

With top class ideation during MASCRADE 21, I have no doubt in my mind that in the times ahead, we will be able to make steady and meaningful headway in understanding, engaging, and considerably lowering the detrimental impact of illicit trade on the financial, industrial, and societal health of our country. The IMF has recently projected an impressive 11.5% growth rate for India in 2021, making India the only major economy of the world to register a double-digit growth this year. However, we cannot afford to lower our guard, and need to stay ahead of the curve while dealing with this enemy that remains unfazed and extremely determined.

Anil Rajput
Chairman, FICCI CASCADE &
Senior Vice President-Corporate Affairs, ITC Ltd.





New Indian Express

FICCI organises webinar on tackling grey market

EXPRESS NEWS SERVICE
Kochi

CONSUMER awareness on fake and smuggled goods is low and protecting the interests of consumers is one of the major concerns of the state government, said Food and Civil Supplies Minister P Thilothaman. There is a need to educate and sensitise consumers to reduce illicit market operations, he said.

The minister was speaking at a webinar organised by the Committee Against Smuggling and Counterfeiting Activities Destroying the Econ-

omy (CASCADE) of the Federation of Indian Chambers of Commerce & Industry (FICCI).

Complimenting the Kerala Government, Mr Anil Rajput, chairman, FICCI CASCADE, said that, despite the challenges posed by Covid-19, the enforcement agencies in Kerala have seized huge quantities of illicit liquor, fake sanitiser products, gold and tobacco products. FICCI Kerala state council co-chair M I Sahadulla Crime Branch IG S Sreejith, Customs Commissioner Sumit Kumar and others shared their views.

Dr Harsh Vardhan inaugurates the 7th Edition of MASGRADE 2021 organized by FICCI



Need For Close Cooperation Between Police & Customs Organizations To Combat Menace Of Illicit Trade: Former Pr. Director-General, DRI

The discussions deepened the understanding of grey markets for smuggled and counterfeit goods which has seen a surge during COVID times and assessed the impact and tried to provide practical recommendations and effective strategies to mitigate this challenge especially in a post-COVID era.

millenniumpost

"Vocal for Local will be extremely potent tool in fight against illicit trade"



Outlook

THE NEWS SCROLL

Vocal for Local will be extremely potent tool in fight against illicit trade: Vardhan

New Delhi, Jan 21 (PTI) - Noting that healthcare products are one of the most commonly targeted industry for counterfeiters, Health Minister Harsh Vardhan on Thursday said 'vocal for local' will be an extremely potent tool in India's fight against illicit trade.

Addressing FICCI Cascade's international conference on the 'Impact of Counterfeiting and Smuggling on Personal Health and Safety', Vardhan said businesses and industries must come together and partner with the government in increasing a greater force in fighting this growing threat with the ultimate goal of keeping consumers safe.

Speaking on the benefits of self-reliant India, Vardhan said as India aims to produce strong domestic brands and gradually reduce its dependence on foreign products, avenues for profiting by smugglers and counterfeiters will cease because limited.

"Vocal for Local will be an extremely potent tool in our fight against illicit trade," he said.

"Illegal operators are taking advantage of the pandemic by providing illicit alternatives of essential and non-essential items both online and offline. As the current pandemic has sadly illustrated, counterfeit products will continue to be one of the most commonly targeted industries for counterfeiters. This is the problem that impacts patients and consumers across the globe," he said.

Apart from the risks created by the COVID-19, Vardhan said illicit players have used the pandemic for these nefarious activities causing significant damage to the economy, the nation, health and safety of people worldwide.

He said various technologies like barcodes, holograms, radio frequency devices are available to protect consumers.

The government has taken steps to protect consumers' health and safety from dangerous counterfeiting and smuggling, Vardhan said.

"These technologies although provide considerable protection they have certain limitations. They only help in general detection and apprehensions," he said.

BW BUSINESSWORLD

November 30, 2020

Forevermark Tribute® Collection



Public Policy, Strong Enforcement Needed To Address Counterfeiting, Smuggling: Rajya Sabha MP

Public policy, strong enforcement needed to address counterfeiting, smuggling: Rajya Sabha MP

27 November, 2020 by ANI

New Delhi [India], November 27 (ANI): The parallel economy of counterfeiting and smuggling has to be addressed if India wants to achieve a USD 3 trillion economy by 2025 and aim to take it to USD 10 trillion by 2027, said Dr Anurag Prasad, Member of Parliament, Rajya Sabha.

"Measures such as public policy and strong enforcement are needed to address the problem of counterfeiting and smuggling," said Prasad while elaborating on India's economic resurgence on Thursday. He was speaking at a webinar on 'Communication, Coordination and Collaboration- Strengthening the fight against counterfeiting and smuggling' organised by FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE).

Anil Rajput, Chair, FICCI CASCADE said despite several measures taken by all stakeholders to contain smuggling and counterfeiting, further steps are required, both in the form of policy intervention and awareness generation to address this socio-economic scourge.

Media Coverage

Economic Security Cannot Be Treated As Separate From Physical Security: Balesh Kumar, Directorate Of Revenue Intelligence

Kumar was speaking at FICCI CASCADE event on the various facets of illicit trade such as smuggling and counterfeiting



28 November 2020
By Dr Debraj Barua

Print this article
First Published: 21 Nov 2020

"National security needs to be looked at holistically. We must understand that economic security cannot be treated as something separate from physical security," said Balesh Kumar, Principal Director General, Directorate of Revenue Intelligence (DRI), while discussing the smuggling scenario in the country at the FICCI CASCADE 'In Conversation Series'.

Speaking on the challenging security environment that India faced, Kumar was underlining the need for all law enforcement agencies to have a constant vigil to prevent smuggling as well as to ensure that necessary inputs were available to prevent potential terror attacks funded both externally and internally.



November 30, 2020

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Public Policy, Strong Enforcement Needed To Address Counterfeiting, Smuggling: Rajya Sabha MP

Public policy, strong enforcement needed to address counterfeiting, smuggling: Rajya Sabha MP

27 November 2020
By ANI

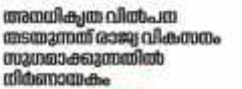
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First Published: 27 Nov 2020

New Delhi (ANI), November 27 (ANI): The parallel economy in counterfeiting and smuggling has to be addressed if India wants to achieve a USD 3 trillion economy by 2025 and aim to take it to USD 5 trillion by 2027, said Dr Anur Patra, Member of Parliament, Rajya Sabha.

"Measures such as public policy and strong enforcement are needed to address the problem of counterfeiting and smuggling," said Patra while addressing an online event organised by the Ministry of Finance.

He was speaking at a webinar on 'Communication, Education and Collaboration - Strengthening the fight against counterfeiting and smuggling organised by FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADe).

His Report, CASCADe said despite several measures taken by all stakeholders to curb smuggling and counterfeiting, further steps are required, both in the form of policy intervention and awareness generation to address this socio-economic scourge.



New Indian Express

FICCI organises webinar on tackling grey market

EXPRESS NEWS SERVICE
By ANI

CONSUMER awareness on fake and smuggled goods is low and protecting the interests of consumers is one of the major concerns of the state government, said Food and Civil Supplies Minister P Thilothaman. There is a need to educate and sensitize consumers to reduce illicit market operations, he said.

The minister was speaking at a webinar organised by the Committee Against Smuggling and Counterfeiting Activities Destroying the Econ-

omy (CASCADe) of the Federation of Indian Chambers of Commerce & Industry (FICCI).

Complimenting the Kerala Government, Mr Anil Rajput, chairman, FICCI CASCADe, said that, despite the challenges posed by Covid-19, the enforcement agencies in Kerala have seized huge quantities of illicit liquor, fake sanitiser products, gold and tobacco products. FICCI Kerala state council co-chair M J Sahudulla Crime Branch IG S Sreejith, Customs Commissioner Sumit Kumar and others shared their views.



Media Coverage

APN NEWS

Monday, December 20, 2020 | Today's Market | Current Time: 11:33:44

EDITORIAL NEWS BUSINESS TECH & INDUSTRY ENTERTAINMENT NEW PRODUCTS EDUCATION HEALTH

ECONOMY

Previous story

Next story

COVID-19 Pushes Bank Anemia Melt Short and NFRS-5

Data Show Anemia Continues to be a Major Concern:

Breakfast Report

Economic security cannot be treated as separate from physical security: Mr Balesh Kumar, Principal Director General, Directorate of Revenue Intelligence

Published on December 25, 2020

"National security needs to be looked at holistically. We must understand that economic security cannot be treated as something separate from physical security," said Mr Balesh Kumar, Principal Director General, Directorate of Revenue Intelligence (DRI), while discussing the smuggling scenario in the country at the FICCI CASCADE 'In Conversation Series'.

Speaking on the challenging security environment that India faced, Mr. Kumar was underlining the need for all law enforcement agencies to have a constant vigil to prevent smuggling as well as to ensure that necessary inputs were available to prevent potential terror attacks funded both externally and internally.

"Sealing of borders is not enough to secure the hinterland. Issues relating to security can travel across the border very quickly into India and for that we must have a clear strategy of comprehensive approach of looking at the internal security in conjunction with external security as well as physical security along with economic security," he added.

Highlighting the surmounting effects of DRI officers during the unprecedented coronavirus crisis, Mr Kumar informed that DRI has strategically focused on smuggling of cigarettes and gold this year raising illicit cigarette worth Rs. 45 crores and gold worth Rs. 25 crores in the last 6 months.

Dainik Jagran

अवैध कारोबार के संकट से निपटने के लिए गठजोड़ की जरूरत

नई दिल्ली, जेएनएन। डीआरआई के पूर्व पीआर डायरेक्टर जनरल और वर्ल्ड कस्टम्स ऑर्गेनाइजेशन (डब्ल्यूसीओ) के पूर्व चेयरमैन व फिक्की कास्केड के थिंक टैंक मेंबर डीपी दाश ने कहा, अवैध कारोबार के संकट से निपटने के लिए पुलिस और कस्टम्स संगठनों के बीच गठजोड़ और ज्यादा प्रासंगिक तरीके से कदम उठाने की जरूरत है। अर्थव्यवस्था को तबाह कर रही तस्करी एवं जालसाजी जैसी गतिविधियों के खिलाफ फिक्की की कमेटी द्वारा आयोजित मार्च 2021 के समापन सत्र को संबोधित करते हुए उन्होंने कहा कि उद्योग एवं सरकार के गठजोड़ से प्रभावी प्रवर्तन जालसाजी एवं तस्करी जैसे वायरस के खिलाफ टीके का काम करेगा। सत्र के दौरान विभिन्न चर्चाओं में यह बात सामने आई कि यूएनओडीसी के अनुमान के मुताबिक, विभिन्न देशों में जाली उद्योगों के जरिए होने वाले आपराधिक संगठनों की कमाई अनुमानित तौर पर 870 अरब डॉलर के ऊंचे स्तर पर पहुंच गई है।

Millennium Post

Occurrences of counterfeiting, smuggling cases much more than reported: Ex-Special CP Delhi

NEW DELHI: Dr Muktesh Chander, Former Special Commissioner, Delhi Police on Friday said, "Actual occurrences of cases of counterfeiting and smuggling are much more than reported."

He further added that the increasing surveillance, creating public awareness and coordination amongst law enforcement agencies and stakeholders are vital to counter the problem of counterfeiting and smuggling effectively.

Speaking at the 'In Conversation Series' organized by

security & cyber hygiene and strengthening enforcement & investigation mechanism.

Anil Rajput, Chairman, FICCI CASCADe said, "In India, since lockdown, our enforcement agencies have raided and seized smuggled, spurious and counterfeit sanitizers, masks, PPE Kits, disinfectants, toiletries and cosmetics, electronic goods, cigarettes, packaged food, spices, alcohol and several other items across various states. They not only put a spoke in illicit trade's wheels but contained its

products."

Deep Chand, Former Special Commissioner, Delhi Police and Advisor, FICCI CASCADe said, "Counterfeiting and smuggling are serious crimes damaging the world economy while the common consumer faces health and safety issues and the genuine industry suffers a huge loss due to illicit products." He further emphasised that COVID-19 has provided opportunity to criminals to exploit the current situation to find new ways to make money. They are increasing their activities to

FICCI CASCADE LAUDS ENFORCEMENT OFFICIALS FOR THEIR WORK IN ANTI-SMUGGLING

SEIZURES OF ILLICIT CIGARETTES JUMPS BY 800% DURING COVID TIMES - NOVEMBER

Dainik Jagran

कोविड के समय में अवैध सिगरेट की जब्ती 800 प्रतिशत बढ़ी

नई दिल्ली, जेएनएन। फिक्की की अध्यक्षत्वस्था को बर्बाद कर रही तस्करी एवं जालसाजी जैसी गतिविधियों के खिलाफ कमेटी (कास्केड) ने तस्करी की गतिविधियों पर लगातार लगाने की दिशा में भारत की प्रवर्तन एजेंसियों द्वारा बढ़ाई गई निगरानी की सराहना की है। एजेंसियों ने देशभर में पिछले पांच महीने में 412 करोड़ रुपए मूल्य की अवैध सिगरेट जब्त की है। अवैध सिगरेट की जब्ती में करीब 800 प्रतिशत का उछाल आया है। 2019 में जून से अक्टूबर के दौरान केवल 52 करोड़ रुपए मूल्य की सिगरेट जब्त की गई थी। पिछले पांच महीने में कस्टम्स, डीआरआइ, असम राइफलस, बीएसएफ और राज्य पुलिस ने मुंबई, कोलकाता, पृवोत्तर, भोपाल, हैदराबाद और कई अन्य शहरों में बड़े पैमाने पर अवैधसिगरेट जब्त की।

Business Standard

Eightfold increase in tobacco smuggling during June-Oct 20 : FICCI CASCADE



Enforcement agencies in India seized illicit cigarettes worth around Rs 412 crore in the last five months across India, which is a quantum jump compared to Rs 52 crore in June-October period of 2019, FICCI CASCADE said in a statement.

Business World

FICCI Compliments Enforcement Agencies For Curbing Smuggling, Says Strict Vigil Must Continue

FICCI compliments enforcement agencies for curbing smuggling, says strict vigil must continue

18 November 2020

Times of India

Seizures of illicit cigarettes jumps by 800% during Covid times



Seizures of illicit cigarettes jumps by 800% during Covid times - Times of India Business News. NW Delhi: Authorities have seized illicit cigarettes worth around Rs 412 crore in the last five months across India.

THE ECONOMIC TIMES

Eightfold increase in tobacco smuggling during June-Oct 20: FICCI CASCADE

- India continues to be a target for tobacco smugglers in spite of several restrictions with an almost eightfold increase in the illegal activity, according to industry chamber FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE).
- Enforcement agencies in India seized illicit cigarettes worth around Rs 412 crore in the last five months across India, which is a quantum jump compared to Rs 52 crore in June-October period of 2019, FICCI CASCADE said in a statement.

The Times of India

Seizures of illegal cigarettes jump 8x

New Delhi: Seizures of illegal cigarettes increased eightfold between June and October period, showed data from a recent report. Authorities have seized illicit cigarettes worth around Rs 412 crore in the last five months across India, up from Rs 52 crore during the same period last year, a FICCI committee said. This comes in the wake of several cases being intercepted during the pandemic.

Financial Express

'Tobacco smuggling rose 8-fold during June-Oct 20'

PRESS TRUST OF INDIA New Delhi, November 18

INDIA CONTINUES to be a target for tobacco smugglers in spite of several restrictions with an almost eightfold increase in the illegal activity, according to industry chamber FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE).

Outlook THE NEWS SCROLL

Eightfold increase in tobacco smuggling during June-Oct 20 : FICCI CASCADE

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Statesman

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Times of India - Delhi Late City

'Fightfold rise in tobacco smuggling during June-Oct'

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Pioneer

Eightfold increase in tobacco smuggling

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Media Coverage

INTERNATIONAL NEWS



1. Coupang hit for selling fake luxury goods.

9 November 2020 | The Korea Times

The country's top online retailer Coupang has been hit for not properly monitoring the sales of fake luxury products on its platform. The Korea Watch & Clock Industry Cooperative (KOWIC) filed a claim against Coupang for damages after small- and medium-sized companies suffered from flourishing fake Rolex sales there.

https://www.koreatimes.co.kr/www/tech/2020/11/694_298851.html



2. Minneapolis customs officials seize \$41,500 of counterfeit smartphone accessories

9 November 2020 | FOX9

U.S. border officials say they confiscated more than \$41,500 worth of counterfeit phone accessories from Hong Kong bound for a Minnesota recipient. In a release Monday, U.S. Customs and Border Protection said the fake Apple and Samsung accessories were flagged by customs officials due to poor quality and incorrect packaging. CBP officials in Minneapolis inspected the shipment and found the items to be fake.

<https://www.fox9.com/news/minneapolis-customs-officials-seize-41500-of-counterfeit-smartphone-accessories>



3. Millions of fake cigarettes and 100kg of illegal tobacco seized as part of crackdown during Covid-19 pandemic.

10 November 2020 | Manchester Evening News

Almost two million fake cigarettes and more than 100kg of illegal hand rolling tobacco have been seized across Greater Manchester during the Covid-19 pandemic. The illegal tobacco industry, as well as the world of organised crime which feeds off it, has continued to thrive throughout lockdown. All tobacco sold locally as 'duty-free' will almost certainly be illegal, enforcement officers in the city-region have warned.

<https://www.manchestereveningnews.co.uk/news/greater-manchester-news/millions-fake-cigarettes-100kg-illegal-19250890>



4. Counterfeit goods worth Kshs. 100M destroyed in Mombasa

11 November 2020 | KBC

Counterfeit goods worth Kshs 100 million have been destroyed in Changamwe, Mombasa County by a multi-agency team, comprising government agencies and intellectual property owners to curb the illicit trade. Speaking during the exercise conducted Monday, the Chairperson of Anti Counterfeit Authority, Florah Mutahi said among the counterfeits destroyed included goods meant for the fight against Covid-19 pandemic, valued at Kshs. 25 million confiscated from unscrupulous traders.

<https://www.kbc.co.ke/counterfeit-goods-worth-kshs-100m-destroyed/>



5. Customs seizes P120-M worth of smuggled cigarettes seized in Tawi-Tawi

13 November 2020 | UNTV

More than P120 million worth of smuggled cigarettes were recently intercepted in Tawi-Tawi, the Bureau of Customs (BOC) said. The bureau said a vessel, which was carrying the shipment from Indonesia, was seized on Nov. 6 by its operatives from the Port of Zamboanga. The operation stemmed from an information it received about a vessel, M/L Nur 1 departing from Indonesia en route to Indanan, Sulu.

<https://www.untvweb.com/news/customs-seizes-p120-m-worth-of-smuggled-cigarettes-seized-in-tawi-tawi/>



6. Dubai Police seize Dhs8.9 billion worth of counterfeit products in 5 years

4 December 2020 | Gulf Today

The Department of Anti-Economic Crime at Dubai Police arrested 2,430 accused and recorded 2,145 economic crime cases over the past five year. The Department has also made confiscations with an estimated value exceeding Dhs8.9 billion.

<https://www.gulftoday.ae/news/2020/12/04/dubai-police-seize-dhs8-9-billion-worth-of-counterfeit-products-in-5-years>



7. BOC-Zambo destroys P183-M smuggled cigarettes

7 December 2020 | Phillipine News

The Bureau of Customs (BOC)-Zamboanga District Office led the destruction Monday of some PHP183 million worth of smuggled cigarettes in this city. Segundo Sigmundfreud Barte Jr., BOC-Zamboanga district collector, said the assorted cigarettes were seized in separate anti-smuggling operations since September this year in the region and in the Basilan, Sulu, and Tawi-Tawi (BaSulTa) provinces.

<https://www.pna.gov.ph/articles/1124010>



8. Busted: 20 factories selling counterfeit masks, sanitisers in UAE

7 December 2020 | Gulf News

Dubai: The coronavirus pandemic has come as a windfall for counterfeiters! The surge in demand for personal protection and hygiene products has led to a flurry of illegal activities involving their counterfeiting in the UAE, the head of a law firm told Gulf News on the sidelines of the annual 'Intellectual Property and Brand Protection Training' workshop held in Dubai on Sunday.

<https://gulfnews.com/uae/busted-20-factories-selling-counterfeit-masks-sanitisers-in-uae-1.75724340>



9. Counterfeit beauty products bad for the body and for business.

18 December 2020 | Khmer Times

This week the IP Key South-East Asia (SEA) project, funded by the European Union (EU), launched the second phase of the "Your Health Is Priceless" campaign to promote consumer awareness and avoidance of counterfeit cosmetics and personal care products, including beauty goods such as skincare and face injections.

<https://www.khmertimeskh.com/50794694/counterfeit-beauty-products-bad-for-the-body-and-for-business/>



10. Man sentenced after being caught with over 380,000 illegal cigarettes.

27 January 2021 | Sunday World

A 32-year-old man has been sentenced after being caught smuggling thousands of illicit cigarettes into Northern Ireland. Wang Jie Chen, from Dunluskin Gardens in the seaside town had £20,000 in cash and 15,000 cigarettes when the car he was travelling in was stopped on the East Bread Road in Belfast in 2017. Track and trace postage numbers were also found in the vehicle. Chen failed to appear in court on the matter and subsequently an arrest warrant was issued.

<https://www.sundayworld.com/news/northern-ireland-news/man-sentenced-after-being-caught-with-over-380000-illegal-cigarettes-40018635.htmlmulti-city-raids-in-china/#3347e1de6352>

NATIONAL NEWS

1. Duplicate clothes of branded companies worth Rs 1 crore seized

1 November 2020 | The Times of India

SURAT: A team of CID crime raided a warehouse in Mota Varachha area and nabbed 11 persons for allegedly dealing in duplicate clothes of branded companies on Saturday. Garmets worth Rs one crore including T-shirts, track pants and shorts with brand names of Adidas, Reebok, Levi's and Calvin Klein were seized in the raid.

<https://timesofindia.indiatimes.com/city/surat/duplicate-clothes-of-branded-companies-worth-rs-1-crore-seized/articleshow/78974003.cms>

2. Maharashtra: Counterfeit masks using leading brand's name major concern for manufacturer; cases, raids in many cities

10 November 2020 | The Indian Express

The issue of counterfeited masks holds public health concern. The masks seized during raids were made of inferior quality cloth with no quality checks to ensure they prevent exposure from virus. One of India's leading mask manufacturers Venus Safety and Health Private Ltd has issued at least 38 legal notices during the Covid-19 pandemic to owners of manufacturing units that produce counterfeit masks using the company's brand name.

<https://indianexpress.com/article/cities/mumbai/maharashtra-counterfeit-masks-using-leading-brands-name-major-concern-for-manufacturer-cases-raids-in-many-cities-7034624/>

1. DRI seized contraband goods worth Rs 1,949 crore in 2019-2020.

3 December 2020 | Mumbai Mirror

The Directorate of Revenue Intelligence (DRI) intercepted foreign-Origin gold, weighing 66.4 kilogram and worth Rs 35 crore, last month which were smuggled into India via the indo-Myanmar border, after seizing 83.62 kg of gold bars worth around Rs 43 crore in Delhi that came via the same route. DRI, which has a mandate of countering organized crime groups engaged in smuggling of contraband goods, made significant 'seizures' this year and will celebrate its 63rd 'Founding Day' on Friday 'virtually' due to the Covid-19 pandemic.

<https://mumbaimirror.indiatimes.com/mumbai/crime/dri-seized-contraband-goods-worth-rs-1949-crore-in-2019-2020/articleshow/79553420.cms>

4. Fake mobile accessories racket busted in Mumbai, products worth Rs 33 lakh seized

10 December 2020 | India Today

The Economic Offence Wing of Mumbai police busted a fake mobile accessories racket in Mumbai and seized counterfeit products worth Rs 33 lakh. The Economic Offence Wing of Mumbai police busted a fake mobile accessories racket running in South Mumbai on Wednesday. One person was arrested while duplicate mobile accessories worth over Rs 33 lakh were seized by police.

<https://www.indiatoday.in/cities/mumbai/story/fake-mobile-accessories-racket-busted-mumbai-products-worth-rs-33-lakh-seized-1748179-2020-12-10>

5. Illegal liquor worth Rs73L destroyed

12 December 2020 | The Times of India

Yavatmal: After a court order, Wani police destroyed illegal liquor worth Rs.73 lakh on Friday. The liquor was seized from the mafia operating across the district borders to neighbouring Chandrapur where the government had earlier banned manufacturing, sale and consumption. The ban had paved the way for the mafia to smuggle liquor from Yavatmal district to Chandrapur, Gadchiroli and Wardha (all dry districts).

<https://timesofindia.indiatimes.com/city/nagpur/illegal-liquor-worth-rs73l-destroyed/articleshow/79684797.cms>

6. Gold, foreign currency, iPhones, cigarettes worth Rs 2.65 crore seized by Chennai Air Customs; 7 arrested

17 December 2020 | Zee News

Chennai: In separate cases, Chennai Air Customs officials seized 4.77 kg gold worth Rs 2.41 crore, foreign currency worth Rs 5.13 lakh and iPhones, cigarettes, health supplements worth Rs 19.15 lakhs and made seven arrests. Based on intelligence, officials intercepted and frisked four passengers - Mohammed Rabeek of Ramanathapuram, Mohamed Yazeer Khan of Chennai, Mujeebur Rahman and Bilal from Tiruchirapalli, who had arrived from Dubai via Air India Express flight IX 1644. Four gold cut bits (198 grams), four gold chains, six gold paste packets were recovered from their jeans.

<https://zeenews.india.com/chennai/gold-foreign-currency-iphones-cigarettes-worth-rs-2-65-crore-seized-by-chennai-air-customs-7-arrested-2331313.html>

7. Contraband goods worth Rs 74 lakhs seized in Tripura

2 January 2021 | Yahoo News

West Tripura (Tripura) [India], January 2 (ANI): The security forces seized a total of 493 Kilograms of various contraband goods worth Rs 74 lakhs in a joint operation in the West Tripura district of Tripura, Assam Rifles said on Saturday. The joint operation was carried out by Assam Rifles along with Director Revenue Intelligence and Customs Department. Contraband is commonly defined as goods prohibited by law from being imported or exported.

<https://in.news.yahoo.com/contraband-goods-worth-rs-74-010604160.html>

8. GST officials bust illegal tobacco factory in Delhi, seize goods worth Rs 4 crore.

3 January 2021 | DNA India

A team of the Central Goods and Services Tax (GST) Delhi West Commissionerate busted an illegal manufacturing unit of gutka, pan masala, and other tobacco products in Delhi, seizing goods worth Rs 4 crores. The officials estimated a total GST evasion of more than Rs 830 crores. The information about the same was shared in a press release on January 2, detailing the materials and products seized from the site.

<https://www.dnaindia.com/delhi/report-gst-officials-bust-illegal-tobacco-factory-in-delhi-seize-goods-worth-4-crore-2865756>

9. Mumbai: DRI recovers smuggled cigarettes worth Rs 3.24 crore.

10 January 2021 | The Times of India

MUMBAI: The Directorate of Revenue Intelligence (DRI) recovered 18,00,000 sticks of Gudang Garam cigarettes concealed in an imported container that arrived from Dubai on January 7.

The consignment of cigarettes was seized. According to officials, the value of seized cigarettes is estimated to be around Rs 3.24 crore. During a probe, the investigators stated that like previous such consignments of cigarettes caught by DRI Mumbai, this consignment was also imported in the name of a poor person whose KYC documents had been misused to fraudulently obtain Import Export Code from DGFT.

<https://timesofindia.indiatimes.com/city/mumbai/mumbai-dri-recovers-smuggled-cigarettes-worth-rs-3-24-crore/articleshow/80197428.cms>

10. Meghalaya BSF seized smuggled goods worth Rs 39 cr in 2020.

8 January 2021 | East Mojo

Shillong: The lockdown due to the COVID-19 pandemic led to a reduction in cross-border smuggling but rose once the lockdown was relaxed, said Inspector General of the Border Security Force, Meghalaya Frontier, Hardeep Singh on Friday. In a press conference held at BSF HQ in Shillong, Singh informed that in 2020, the BSF apprehended 171 trans-border criminals. Also, 16 illegal entrants were nabbed in the border area by the BSF.

<https://www.eastmojo.com/meghalaya/2021/01/08/meghalaya-bsf-seized-smuggled-goods-worth-rs-39-cr-in-2020>



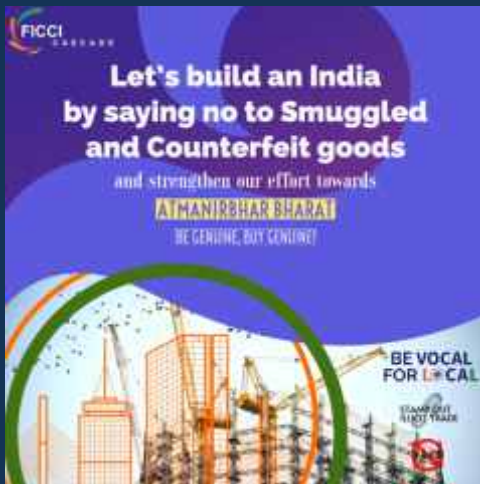
Campaigns

Congratulatory Creative

Social Media



Vocal for Local



Ways to identify Genuine products





Diwali and Indigenous Products



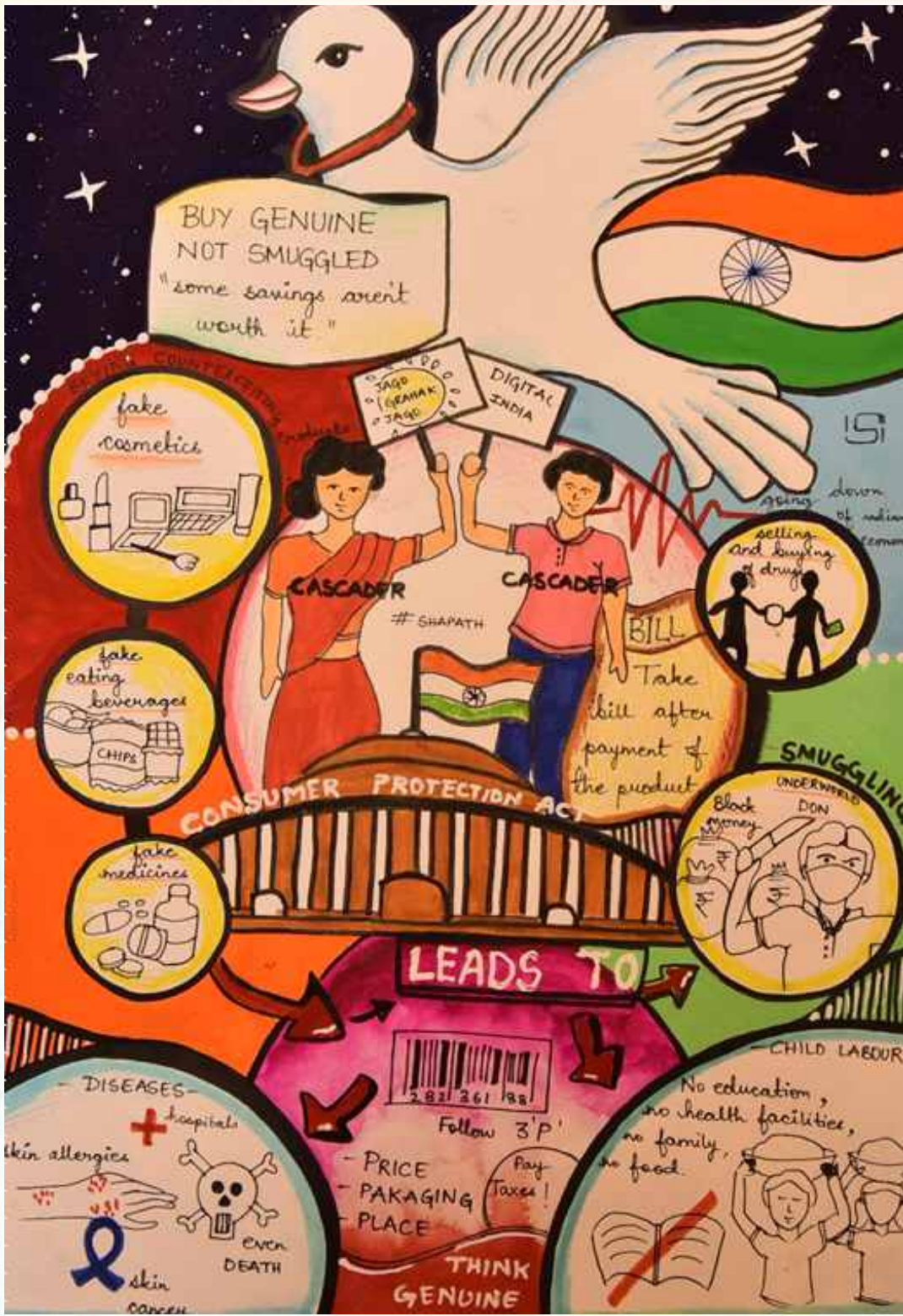
Combating Counterfeiting & Smuggling



Christmas and New Year



AWARENESS THROUGH ART



WHAT'S NEXT



Webinar on

COMBATING COUNTERFEITING AND SMUGGLING DURING THE COVID-19 PANDEMIC AND BEYOND



Odisha



Uttar Pradesh



Karnataka



Telangana



CAPACITY BUILDING PROGRAMME FOR POLICE OFFICERS ON PREVENTION OF COUNTERFEITING AND SMUGGLING

MARCH 2021 | DELHI AND HARYANA



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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