

Enhance awareness to check illicit trade: Ficci-KPMG report

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New Delhi, Oct 12: The government needs to take steps such as raising awareness and moderating taxes on goods to check illicit trade in the country, a Ficci-KPMG study today said.

It suggested that better awareness about counterfeit and smuggled products through government initiatives would help contain illegal trade practices.

Government and industry can join hands to run campaigns for reducing the market of counterfeit and pirated goods, it said adding task forces can be formed to look at links between terrorism, organised crime and illicit trade. The report said government can look at moderating levels of taxation as higher levies promote illicit trade. It also said funds generated through such trade practices are used for terror financing and organised crime.

Smuggling, counterfeit and piracy are some of the most preferred mechanisms used by terrorist organisations to finance their operations, it said. "Many prominent terrorist organisations such as Hezbollah, Lashkar-e-Taiba, Al Qaida, Irish Republican Army, etc. rely on illicit trade for financing up to 20 per cent of terror operations," the report said.

Ficci Secretary General Sanjaya Baru said illegal trade in smuggled, counterfeit and pirated goods dampens the economy in multidimensional ways. "It destabilises the legal industry, restrains innovation and investments, reduces government revenues and hampers the health and safety of consumers," he said adding globally it fuels transnational crime, corruption, and terrorism.

As per a report published by OECD and European Union Intellectual Property Office in April 2016, it is estimated that the total economic and social costs globally due to counterfeit and piracy stood at USD 737-898 billion in 2013 and is expected to rise to USD 1.54-1.87 trillion by 2022. Apart from this, the total job losses globally due to counterfeit and piracy stood at 2-2.6 million in 2013 and is expected to rise to 4.2-5.4 million in 2022.

The most commonly counterfeited and smuggled goods are tobacco, cigarettes, electronic items, gold, machinery and parts, alcoholic beverages, auto components, Fast Moving Consumer Goods and mobile phones.

In a separate statement, quoting Lok Sabha member Shatrughan Sinha, Ficci said stakeholders should take up this issue at global platforms and engage NRIs in the movement against illicit trade. He was speaking at FICCI CASCADE (Committee Against Smuggling and Counterfeiting Activities Destroying the Economy) event here today.

Sinha said it was high time for promotion, protection and projection of India's goods and to fight against smuggling, counterfeiting and illicit trade.

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