

Need to strengthen laws to fight menace against illicit trade & smuggling: Ex-VP Naidu



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Former Vice President M Venkaiah Naidu today said that it is imperative for all stakeholders to reform, perform and transform in order to end the menace of counterfeiting and smuggling. "There is a need to strengthen the existing laws. Unless all of us join together, the fight against illicit trade and smuggling cannot be won," he emphasised.

Addressing the 8th edition of FICCI-CASCADE 'MASCRADE 2022', Naidu asserted that sharing of ideas, experiences and sharing of views in formulating a more effective legislation with implementation is required to create awareness and industry to play a critical role in this. "Transformation of the system, society, governance,

is required for the happiness of the people and is required to create awareness among the consumers," he added.

Former Vice President also stated that it is imperative to protect the rights of the consumers. "Consumer awareness has to be taken as a mission with a passion for the sake of the nation and then the real change will come," said Naidu, adding, India is on the move and one of the fastest growing economies in the world and we must all join together to end the menace of counterfeiting and smuggling.

Sandeep Kumar, member, Central Board of Indirect Taxes and Customs said, "Due to technology advancements, the industry today has the opportunity to create tools that can empower consumers to take on smuggling and counterfeiting. This, along with strong

enforcement can make a big difference on the ground. The fight against illicit trade has to become a mass movement." Sanjiv Mehta, president, FICCI said, "Strong cooperation between different stakeholders and innovative action is required to free India of illicit trade. Smuggling and counterfeiting is all pervasive and industry, government and society directly bear its brunt." He further added that the Consumer Protection Act is a stepping stone towards empowering the consumers.

Anil Rajput, chairman, FICCI-CASCADE said, "Smuggling is the deadliest form of illicit trade. Besides causing severe damage to the exchequer, in the form of loss of revenue, proliferating terrorism by allowing terror groups to get funds, and impacting consumer health and safety, it also leads to large scale unemployment by export-

ing jobs out of the country."

During the event, FICCI CASCADE-TARI report 'Illicit Markets: A Threat to Our National Interests' was released. The study examines the size and scale of illicit markets in five key Indian industries and assesses its impact on individual industries, employment, government tax collection, and the overall economy.

According to the study, the illicit market in 5 Key Indian industries, including mobile phones, FMCG-household and personal goods, FMCG-packaged foods, tobacco products, and alcoholic beverages is valued at Rs 2,60,094 crore. The combined FMCG industry — household and personal goods, and packaged foods — accounts for 3/4th of the total illicit value of goods in these industries. The study finds that illicit trade leads to an estimated legitimate

employment loss of 15.96 lakh, with the combined FMCG industry accounting for about 68.5% of job losses.

The estimated tax loss to the government due to illicit goods in these industries is Rs 58,521 crore, with two highly regulated and taxed industries, tobacco products, and alcoholic beverages, accounting for nearly 49% of the overall tax loss.

In terms of the percentage of the illicit market, the FMCG-household and personal goods industry is ahead of the other four sectors at 34.25%. This means that out of every 100 household and personal goods, nearly 34 were traded illegally. The sector is followed by FMCG-packaged foods industry at 25.09%, tobacco products industry at 20.04%, alcoholic beverages industry at 19.87%, and mobile phones industry at 7.56%.