

# Business Standard

## Govt needs to lead and set global agenda on smuggling: Think tank report

*'Eliminating illicit trade would gain governments at least USD 31.3 billion every year, and from 2030 onwards more than 164,000 premature deaths every year would be avoided'*

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*As per World Health Organization, governments lose USD 40.5 billion every year in revenue from the illicit trade of tobacco products*

The government should take up a campaign against smuggling at the global level and a curb on such practices can help the world earn about USD 31 billion per year, a report said.

Eliminating illicit trade would gain governments at least USD 31.3 billion every year, and from 2030 onwards more than 164,000 premature deaths every year would be avoided, the vast majority in middle and low-income countries, the report by Think Change Forum (TCF) said.

India being one the biggest consumer of smuggled products, the report said. The country loses a significant amount of revenue every year.

So, there is a need for India to take lead on the issue and coordinate at the global forum as the country suffers more on the revenue front than others because it is a consuming nation.

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To make smuggling an important part of the global narrative, the report said, different wings of the government-the Ministry of External Affairs, the Ministry of Finance and the Ministry of Corporate Affairs-need to come together.

Smuggling is a bigger challenge for developing countries rather than the developed ones. Global brand owners, a majority of whom originate from the developed world, are more concerned about counterfeiting than smuggling.

"This is because smuggling leads to a loss of revenue for the consuming country and an increase of sales for global brand owners, with goods becoming cheaper into the hands of the consumer. India should therefore take a lead in building international consensus around the issue of smuggling," it said.

While addressing the 17th Pravasi Bharatiya Divas Convention in Indore earlier this month, Prime Minister Narendra Modi said that India's voice is being heard on the global stage and people look up to India with hope and curiosity, the report noted.

Highlighting smuggling on the global stage is an opportunity for India to further consolidate its position as a world leader, become the voice of developing countries and protect its economy at the same time, it added.

The Forum in a letter to the Finance Ministry recommended that the Corporate Affairs ministry should hold brand owners responsible if their genuine products are found to enter India illegally.

Replicating the idea of the polluter pays principle the corporate affairs ministry needs to penalize such brand owners, it said, adding, it is a global practice where many famous international brands establish meagre legal operations in developing countries like India with the sole objective of publicizing the brand for creating demand while the products are sold through international traders and distributors instead of direct imports by the subsidiary.

**Source:** [https://www.business-standard.com/article/current-affairs/govt-needs-to-lead-and-set-global-agenda-on-smuggling-think-tank-report-123012700558\\_1.html](https://www.business-standard.com/article/current-affairs/govt-needs-to-lead-and-set-global-agenda-on-smuggling-think-tank-report-123012700558_1.html)