


Counterfeiting, Smuggling Hinder India's Sustainable Economic Growth, Says Kerala Minister Rajeeve

P Rajeeve, Kerala State Minister for Industries and Commerce, said counterfeiting and smuggling are global issues which erode the lawful competitive advantage held by rightful owners, impeding innovation, employment opportunities, and the sustainable economic growth of the nation

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Counterfeiting and smuggling are global issues which erode the lawful competitive advantage held by rightful owners, impeding innovation, employment opportunities, and the sustainable economic growth of the nation, Kerala State Minister for Industries and Commerce, P Rajeeve, said on Saturday.

Addressing a seminar organised by the Federation of Indian Chambers of Commerce and Industry (FICCI), on 'Preventive Strategies to Combat Counterfeiting and Smuggling', the Minister said it was imperative to prioritise education and awareness on the detrimental consequences of counterfeiting and smuggling.

FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE) organised the seminar to highlight the adverse impact of counterfeiting and smuggling on the economy and suggest concerted measures to tackle the menace.

"The problem of counterfeiting and smuggling represent a colossal global issue that influences across virtually all industry sectors on a worldwide scale. It erodes the lawful competitive advantage held by rightful owners, impeding innovation, employment opportunities, and the sustainable economic growth of the nation," Rajeeve said.

He said the youth, as the consumers of tomorrow, possess the power to inspire and drive the necessary change through their choices and behaviours.

Kochi City Police Commissioner, K Sethu Raman, said there has been a significant shift in smuggling and counterfeiting practices over the past decade, largely due to the rise of the digital economy.

"This transformation has posed a considerable challenge for police investigations, as it has led to an increase in cyber fraud incidents. Each month, hundreds of complaints related to such crimes are being reported. Furthermore, the advancements in technology have given rise to new types of financial products, such as bitcoin and cryptocurrencies," the Commissioner said.

Customs Preventive Commissioner in Kochi, Rajendra Kumar, said Customs play a pivotal role in upholding border control, acquiring intelligence, performing risk assessments, fostering stakeholder collaboration, and enhancing public awareness as part of its mission to effectively combat smuggling and counterfeiting.

He said in the year 2022-23, Kerala Customs successfully handled 810 cases, leading to the seizure of a significant quantity of 630 kg of gold, with an estimated value of 311 crore.

"Additionally, Kerala Customs also filed 123 cases of smuggled cigarettes, worth Rs 3.29 crore," Kumar said.

The Minister felicitated students, who took part in the inter-school competition organised by FICCI CASCADE on the theme 'Role of Youth in Making India Free from Smuggling and Counterfeiting'.

FICCI, in a release said, according to its recent report, the Indian government exchequer suffered a tax loss of Rs 58,521 crore in 2022 due to illicit trade in five key industries-- Mobile Phones, FMCG-Household and Personal Goods, FMCG-Packaged Foods, Tobacco Products, and Alcoholic Beverages.

According to the report, the size of illicit market in the above-mentioned industries was Rs 2,60,094 crore for the year 2019-20, with the FMCG industry — household and personal goods, and packaged foods — together accounting for 3/4th of the total illicit value of goods in five key industries, it said.

"This amounts to a significant burden on the country and its growth aspirations. Illegal trading not only causes serious economic losses, but also involves serious health and safety hazards that could lead to disastrous effects on society. Owing to its long coastline and existing port connectivity, Kerala has long been a victim of illicit trade, for a wide array of products such as drugs, tobacco, gold, etc," the release said.

FICCI said the country was witnessing widespread smuggling in various product categories such as gold, cigarettes, cosmetics, medicines, jewellery, readymade garments, alcohol, capital goods and consumer electronics, which is severely affecting the country's economy.

FICCI has set up a committee CASCADE, with the participation of leading industries from all sectors of the economy to raise awareness against this issue and work with government and other agencies to fight the menace.

Source: <https://www.outlookindia.com/business/counterfeiting-smuggling-hinder-india-sustainable-economic-growth-says-kerala-minister-rajeeve-news-288139>