

# Illicit trade damaging economy, says official

NEW DELHI | November 02, 2018

Suresh Chandra, Secretary of the Department of Legal Affairs, said on Thursday that the damaging impact of counterfeiting and smuggling reflected in the loss of industrial growth, the social cost consumers had to pay and the loss of revenue to the government.

He was speaking at the fifth edition of MASCRAGE-2018, organised by the FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE).

Mr. Chandra said such illegal activities slowed industrial growth, thus affecting producers, and stunted revenue, hitting job growth. Consumers were the ultimate victims of counterfeiting, smuggling and piracy as they paid excessive prices for substandard products that also increased exposure to health and safety risks.

The revenue loss to the government affected the spending on healthcare, education and public transport. "The police and other enforcement agencies are also hit by the resource crunch which exacerbates the problem of grey market operations," he said.

S. Ramesh, Chairman of the Central Board of Indirect Taxes and Customs, said a phenomenal growth in global trade and technology had created opportunities for organised criminals to indulge in illicit trade that threatened national security.

It is estimated that 8%-15% of the global GDP is impacted by illicit trade and criminal activities and the economic value of illicit trade globally could reach \$2.3 trillion by 2022. The wider social, investment and criminal enforcement costs could take the total to \$4.2 trillion, putting at risk 5.4 million "legitimate jobs."

According to the Directorate of Revenue Intelligence, narcotic drugs, gold and cigarettes account for the major goods smuggled into India. The CASCADE reports reckon that tobacco products cause the maximum revenue loss of ₹9,139 crore on account of counterfeiting and illicit trade, followed by mobile phones (₹6,705 crore) and alcoholic beverages (₹6,309 crore).

The best performing officers of enforcement agencies were felicitated at the event.

**Source:** <https://www.thehindu.com/business/Economy/illicit-trade-damaging-economy-says-official/article25395280.ece>