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World Anticounterfeiting Day: ASPA releases report - The State of Counterfeiting in India 2021

- As part of its weekly awareness campaign and to mark 'World Anti-Counterfeiting Day' on June 8, the ASPA is pleased to unveil the report – The State of Counterfeiting in India 2021.
- The second edition of the report, providing insight for stakeholders to understand counterfeiting trends in India.
- As counterfeiting incidents in India are increasing with an alarming rate of 20% year on year growth between 2018-2020, the aim is to build awareness on the economic and societal impact of counterfeiting.

June 8, 2021, New Delhi, India: Observing the World Anti-Counterfeiting Day on June 8, 2021, the Authentication Solution Providers' Association (ASPA) a self-regulated industry body of Anti-Counterfeiting and Traceability Solutions providers unveil the latest edition of its report **"The State of Counterfeiting in India - 2021"**. The aim is to create awareness amongst industry stakeholders in the fight against fake.

The report studies and highlights the trends of counterfeiting incidents reported in India for the period January 2018 to December 2020, providing special insight on 2020 incidents. According to the report, counterfeiting incidents have risen rapidly /steadily in the last few years. On an average the increase in counterfeiting incidents being reported **in the last 3 years has been 20%** (from January 2018 to December 2020). In **2020** these reported incidents have **increased by 17%** as compared to **2019**.

While counterfeiting is a global menace and no economy in the world has remained unaffected by this menace, the latest trends are alarming for the lives of citizens and Indian economy. Globally, it now stands at **3.3% of global trade (according to OECD report)** and is impacting the social and economic development of countries.

It has been observed that criminals are taking advantage of the high demand for medicines, health supplements, safety products, hygiene products and other essentials created due to the COVID crisis and contaminating the market by selling fake and sub-standard products threatening the lives of our paramedical professionals, security volunteers, patients, and society at large.

In recent years, an uptick in 'unsophisticated' frauds has been noticed. The COVID-19 pandemic has also shown that criminals quickly adapt to the new trade environment and find ways to infiltrate legitimate supply chains with counterfeit and often dangerous products. Professional fraudsters are now using the latest manufacturing and printing technologies to duplicate finishes, print boxes, labels, codes, and packaging that mimics genuine products perfectly. Fakes are almost undetectable to an average consumer. The increasing incidents of

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frauds such as diversion, counterfeiting and black marketing of medicines & others essential items are further adding more challenges for our healthcare professionals already exhausted due to shortage of manpower. Within the last month, there have been a number of cases reported of counterfeit Covid-19 medication.

The key findings of the report are as follows:

- The number of counterfeit incidents in India **increased by average 20% year to year growth between 2018 to 2020 17% between 2019 to 2020.**
- The top 5 sectors which have been affected the most are **Alcohol, Tobacco, FMCG Packaged Goods, Currency & Pharmaceuticals.** Incidents reported in these sectors **constitute more than 84 percent of total counterfeit incident reported.** There was a sharp spike in crimes related to illicit liquor, smuggling of tobacco products and pharmaceutical products especially PPE kits and sanitizers, etc during the COVID-19 lockdown.
- States including **Uttar Pradesh, Rajasthan, Madhya Pradesh, Jharkhand, Haryana, Bihar, Punjab, West Bengal, Maharashtra, and Odisha** are amongst top ten States which need urgent attention in respect to counterfeit incidents requiring more detailed analysis of the issue followed by stringent anti-counterfeiting policy mechanisms and implementations.
- **Tobacco products face the highest jump** in 2020 over 2019 and 2018. According to a query response raised in the Lok Sabha, Indian authorities seized illegally imported cigarettes worth **INR 1,772 crore between April 2020 and February 2021.** That compares with seizures worth **INR 187.6 crore in the previous financial year.**
- Counterfeiting activities are not limited to high-end luxury items. Common day to day items including **cumin seeds, mustard cooking oil, ghee, hair oil, soaps, baby care and medicine are increasingly reported counterfeited** by criminals.

Nakul Pasricha, President, ASPA, said, “Businesses are being attacked more often and on a larger scale by counterfeiters and frauds especially due to the high demands that have been created due to the COVID crisis. A big challenge is that counterfeiters are becoming smarter, better funded, and organized. In this scenario, the onus on all impacted parties to stay ahead of them is even more critical. The COVID-19 pandemic has overwhelmed India’s healthcare systems and delay in dealing with the issue might prolong our battle against COVID-19. Substandard, spurious, falsely labelled, falsified, and counterfeit products & illicit trade would further slowdown the Indian economy recovery and efforts towards breaking the chain of infection. Counterfeiters are taking advantage of the biggest humanitarian crisis that the world has ever seen. The trends we observe are alarming and call for immediate action.”.

Mr. Pasricha added, “ There is a need for an ongoing focus on building and nurturing authentication eco-systems in the country and as an industry association, we are committed to that. Our country requires active participation and involvement of all stakeholders such as the government, policy makers, enforcement agencies, businesses, and most of all consumers. A lot of awareness is required at the industry, government, and consumer level. The

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authentication environment will support the Government's "Make in India" initiative and its image at a global level, where trust is becoming an especially critical factor. ASPA is building innovative tools to help policymakers on the need for action and legislation in fighting counterfeiting and this report is one of such tools. In the week, the association is going to organize a webinar on "Protecting lives and securing the pharma supply chain during COVID-19". Apart from these, it is also going to launch a new informative portal to help Brand Owners and policymakers in framing their anti-counterfeiting strategies and solutions according to their perspective industry and product requirement.

With the release of the **2021 Report**, ASPA urges stakeholders to come forward to strengthen the environment against counterfeit and illicit products.

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Picture: Report Cover



Caption: The State of Counterfeiting in India - 2021

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About: Authentication Solution Providers' Association (ASPA)

Formed in 1998, a non-profit organization, ASPA has a rich heritage of 21 years and is recognized globally as a regulated and ethical organization. It is working to build up a world-class environment that supports the advancement of authentication ecosystems in India against counterfeiting activity and illicit economy. ASPA works on four key areas a) Awareness b) Advocacy (Industry Partnership) c) Research & d) Innovation. Its member companies provide physical and digital authentication technologies, solutions & systems present across the globe. As an industry body of authentication solutions providers, it encourages its members to adopt best practices, standards, and advanced use of technology in providing cost-effective anti-counterfeiting solutions against counterfeiting. ASPA works closely with global authorities such as International Hologram Manufacturers Association (IHMA), Counterfeit Intelligence Bureau (CIB - Interpol), FICCI CASCADE, and other industry bodies in India.

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