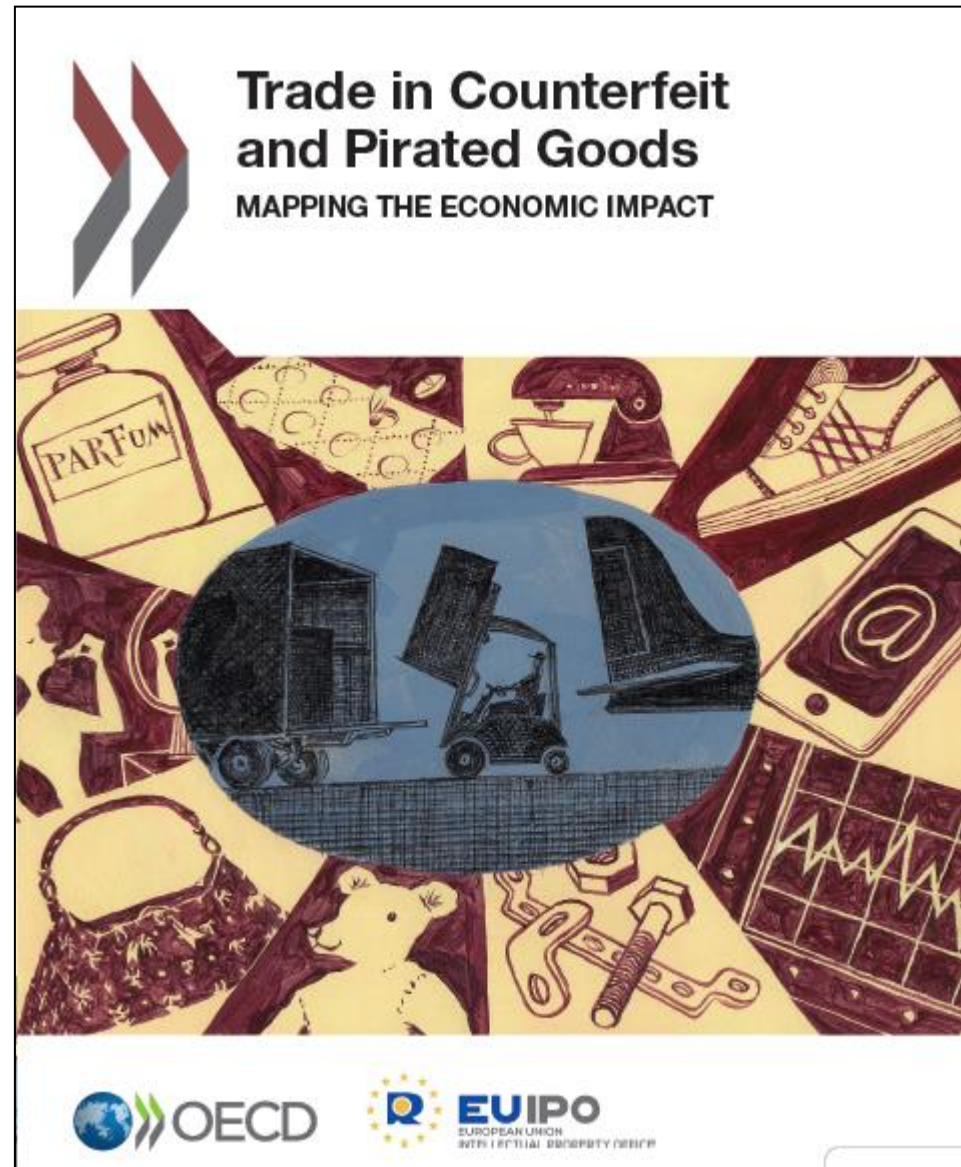


# Trade in Counterfeit and Pirated Goods: Mapping the Economic Impact



The key question:

**What are the volume, scope and trends of trade in counterfeit and pirated goods?**

Why does it matter?

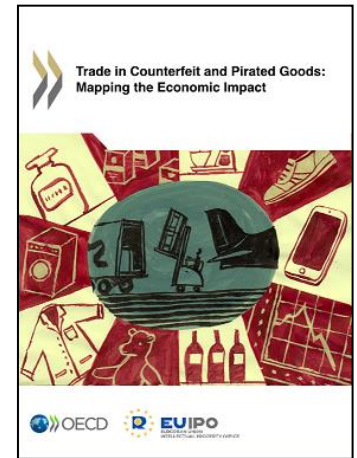
Rising economic importance of intangibles (ideas, brands, know-how...), including intellectual property rights means:

**Increasing incentives to counterfeit  
("free riding")**

# Joint project: OECD — EUIPO

With excellent collaboration with:

- World Customs Organization (WCO)
- DG TAXUD of the European Commission
- US Dept. of Homeland Security



We have analysed using:

- Customs data on seizures of fake goods + trade data
- Set of interviews with enforcement officials (customs, police) and industry experts.

# Results

photographs of counterfeit trade

# Key results

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**Worldwide**

**€338**  
billion

**(USD 461bn )**  
Trade in fake goods

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**Corresponds to 2.5%**  
of global trade

**EU**

**€85**  
billion

**(USD 116bn)**  
of EU imports

---

**Corresponds to 5%**  
of total EU imports

# Where fakes originate?



## Where fakes originate

Top provenance economies of counterfeit goods (2013)



Source: OECD-EUIPO. Data based on number of seizures per economy per year.

Image: Shutterstock



Get the real story on fakes:  
**Trade in Counterfeit and Pirated Goods**

# **Complex trade routes** with many transit points:

Large trade hubs including FTZs  
(e.g. HK, Singapore, Dubai)

Countries with weak governance  
(e.g. Afghanistan, Syria)

**Any IP-protected product becomes a target for counterfeiters.**

There are fake (TM-infringing) fresh strawberries, bananas, cinnamon or coconut oil.



# Fake...

- \* high-end consumer luxury goods  
(watches, perfumes or leather goods)
- \* business-to-business products  
(machines, chemicals, spare parts...)
- \* common consumer products  
(toys, pharmaceuticals, cosmetics and foodstuffs)

# FAKE ICTs -- Context

## World trade in ICT products, 2013

	% of trade in ICT
Computer and peripheral equipment	25.8%
Communication equipment	29.0%
Consumer electronic equipment	10.4%
Electronic Components	25.5%
Electrical Equipment	8.1%
Miscellaneous	0.4%
<b>Total ICT products in world trade</b>	<b>9.8%</b>

# Fake ICTs – Context

## ICT industries:

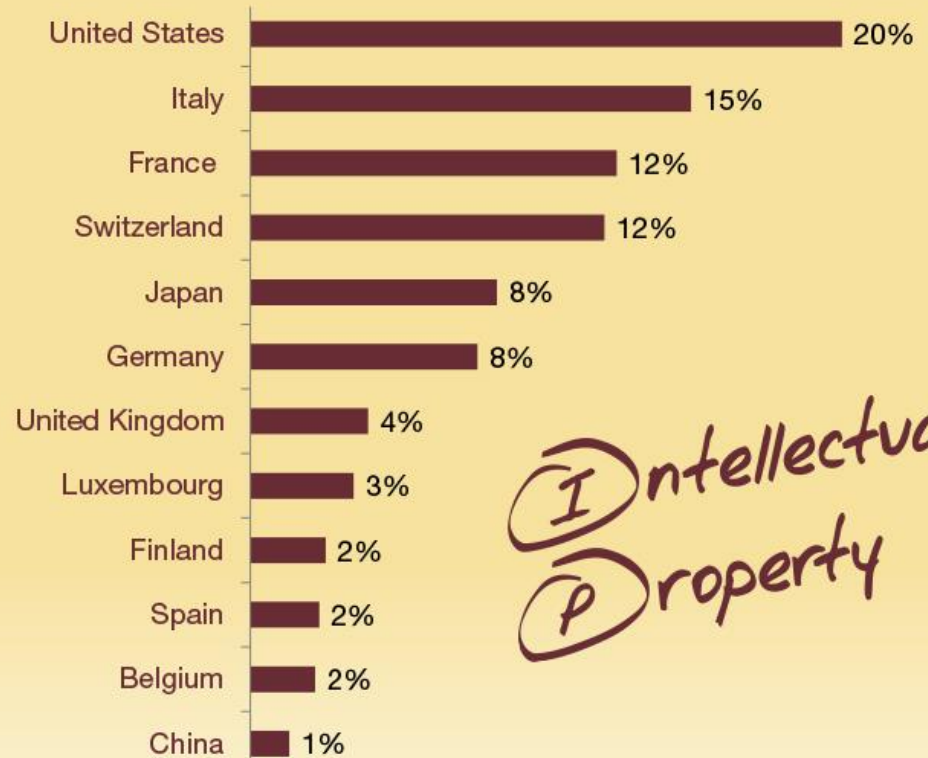
- Highly globalized
  - 9.8% of world trade in 2013
- Substantial source of output, employment and productivity growth
  - directly: 6% of total value added in OECD countries
  - indirectly: drive technological changes of an entire economy
- Innovative and IPR intense

# Whose rights are being wronged ?



## Whose rights are being wronged?

The top countries whose IP rights were infringed (2011-2013)



**I**ntellectual  
**P**roperty

Source: OECD-EUIPO. Data based on values of seizures from 2011-2013 (pooled dataset)  
Image: Shutterstock



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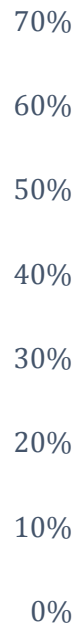
# Counterfeiting trends: transport

Number of items per seizure on average (2011-2013)

*As a percentage of total seizures*



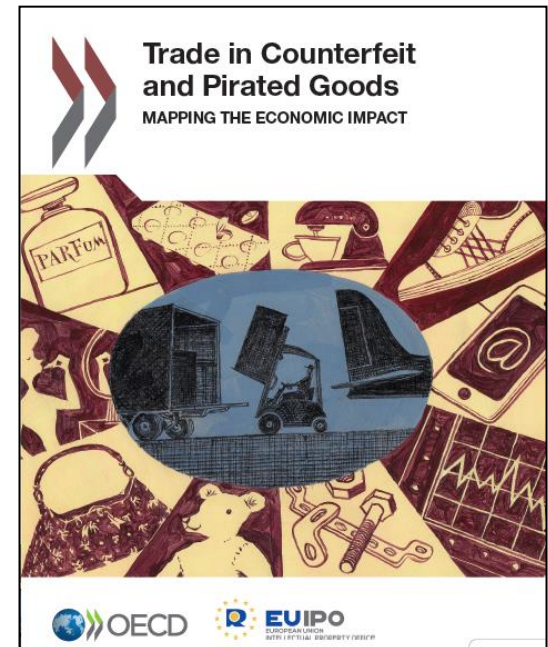
Transport modes



Counterfeit and pirated trade is mainly done in small shipments

# What are the next steps?

- Robust results – starting points for building evidence-based policy responses
- We are ready to act, and to provide evidence, and to advise our countries.
- Our intention: to continue our successful co-operation.



[oe.cd/fake](http://oe.cd/fake)

[www.euipo.europa.eu/](http://www.euipo.europa.eu/)