



CARIFORUM-EU EPA

A Partnership that Counts



Enhancing IP Enforcement to assist Post-Covid Recovery

The revival of trade and ongoing efforts to lower barriers are important components of building a stronger and more resilient post-pandemic global economy. Governments welcome the increase in trade during the post-COVID recovery phase but they must be vigilant in implementing measures to control illicit trade networks that pollute supply chains with counterfeit goods. The organised manufacture and distribution of counterfeit goods have significant negative consequences. Financial harm occurs when legitimate producers lose sales to counterfeiters and governments cannot collect taxes on those products which are distributed and sold outside of legitimate commercial channels. Transnational crime increases when criminal networks develop and expand illicit trade networks.

A recently released OECD/EUIPO Study entitled “Dangerous Fakes: Trade in Counterfeit Goods that Pose Health, Safety and Environmental Risks”, notes that counterfeit goods can also pose serious health, safety, environmental and other societal risks. Individuals who are unaware that they are not purchasing genuine goods, can fall victim to counterfeit products of low quality which do not meet established safety standards, thereby threatening their health, and in some cases, their lives. The study quantitatively assesses the scope of and trends in the trade in counterfeit products that pose health, safety and environmental threats. It is based on an analysis of an international dataset of customs seizures and other enforcement related data, combined with structured interviews with enforcement experts. The study points out that the COVID-19 pandemic has aggravated existing trends particularly for counterfeit medicines, alcohol, and personal protective equipment (PPE). It also highlights emerging trends in relation to the trade in counterfeit consumer goods and spare parts. To understand and combat the risk posed by the trade in counterfeit goods, the study recommends that governments need up-to-date information on its magnitude, scope and trends.

The study notes that that the European Union is one of the main destination economies for counterfeit goods. In the EU, postal parcels – driven by the rise of e-commerce – are the most common method of shipping counterfeits. Online sales represented 60% of global seizures of counterfeits destined for the EU. None of the CARIFORUM States were identified in the study as being either an origin or destination economy for such goods.

The CarIPI Project has been working with the CARIFORUM States to improve and support policy formulation and enforcement in this area. CARIFORUM States are therefore encouraged to

continue to take advantage of the support provided by this project. States should also consider the areas which have been recommended by CarlPI for further work to develop efficient enforcement and governance frameworks to counter the risks posed by trade in counterfeit goods. These areas include enhancing information collection, examining governance and enforcement gaps and investigating the dynamics of illicit trade networks.

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