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Enlightened against fake products



State minister for science and technology Abhishek Mishra lights a candle with students during a seminar on 'Consumer action against counterfeiting and smuggling' on Thursday. ASHOK DUTTA/HT

Counterfeiting bleeding govt exchequer, says FICCI study

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LUDHIANA: The estimated annual tax loss to the government due to counterfeiting in 2012 has been estimated at ₹28,130 crore, revealed a study by the FICCI.

Nearly 20% of the total road accidents happen due to fake auto parts while several lives are put at risk due to the consumption of fake drugs. The problem of counterfeit products and smuggling is spreading its wings, posing serious threat to the consumers, manufacturers and the government, it said.

Nearly 500 consumers took a pledge to take proactive action and 'quit fake' and 'fight smuggling' at a seminar 'Consumer action against counterfeiting and smuggling' organised by FICCI CSCADE (Committee Against Smuggling and Counterfeit Activities Destroying the Economy) on Thursday.

Besides, findings of a study on 'socio-economic impact of counterfeiting, smuggling

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ABHISHEK MISHRA

and tax evasion in seven key industry sectors' was also discussed at the seminar.

The study further put the annual sales loss to the industry at a whopping ₹1,00,000 crore. The key sectors included in the study were auto components, alcohol, computer hardware, FMCG (packaged food), FMCG (personal goods), mobile phones and tobacco.

The highest loss to industry in terms of revenue is from FMCG (packaged goods) at ₹20,978 crore (23.4%), FMCG (personal goods) at ₹15,035 crore (15.9%), auto components at ₹9,106 crore (20.6%),

mobile phones at ₹9,422 crores (20.6%) and tobacco at ₹8,965 crore (15.7%).

The maximum tax lost on account of smuggled and counterfeit products to the government is from the tobacco sector at ₹6,240 crore followed by FMCG (packaged food) at ₹5,660 crore and FMCG (personal goods) at ₹4,646 crore. The study also reconfirms government estimates of 5% of medicines in the market being fake that have a direct impact on the health and safety of the consumers.

PC Jha, advisor FICCI CSCADE, said, "The non stringent laws and the delay in legal system add to the trend. If the perpetrators of such crime are punished, the practice may be curbed."

Abhishek Mishra, state minister for science and technology, said, "A lot can be curbed if the consumers realise their worth. Such products are sold because there is a market for it and people buy them. If consumers stop buying such products, the manufacturing of such products too will be curbed."