

TRACIT Calls on BRICS Economies to Step Up Efforts Against Counterfeiting and Illicit Trade

Brussels, 9 March 2018 – Today, the Transnational Alliance to Combat Illicit Trade (TRACIT) participated in a meeting on illicit trade and counterfeiting, co-hosted by the European Commission's DG Trade and the OECD. During the event, the OECD presented its latest findings on Intellectual Property Rights (IPR) enforcement practices in the "BRICS" economies of Brazil, Russia, India, China and South Africa. The EU Joint Research Center also presented a study that provides empirical estimates for the impact of counterfeiting practices on the economic and innovative performance of companies. The study crucially relies on firm-level databases as a source of information. Among its conclusions is the fact that counterfeits affect predominantly the best-performing digital companies, i.e., those with greater profitability, higher revenue, more intangible assets and more patents.

At the same time that BRICS countries are playing a growing role in global economic development, studies have shown that these countries consistently underperform in their protection of IPR, especially with regard to counterfeiting and copyright piracy.

"The OECD study is timely considering BRICS Leaders' commitment to safeguard intellectual property rights at the 2017 Xiamen Summit," said Mr. Stefano Betti, TRACIT Deputy Director-General. "However, it is clear that much more needs to be done to prevent IP theft and we encourage BRICS countries to double down on this important issue at their upcoming July Summit in Johannesburg."

BRICS countries are, however, increasingly recognizing the value of IP and the need to protect it. In August 2017, BRICS Trade Ministers agreed to promote exchanges and cooperation on IPR legislation and enforcement in order to create favorable conditions for trade and innovation-driven economic development. This was followed up with the adoption of the BRICS IPR Cooperation Guidelines at the 9th annual Leaders' Summits in Xiamen, China.

"Given the important role that emerging economies, including BRICS, are playing in the global markets for fake goods, their involvement and active leadership in countering illicit trade is essential," said Mr. Betti. "The OECD, the European Commission and members of the OECD Task Force on Countering Illicit Trade have a critical role to play in both driving and supporting progress by BRICS countries to combat illicit trade. Today's discussion is an important step in that direction."

TRACIT is an independent, private sector initiative to drive change to mitigate the economic and social damages of illicit trade by strengthening government enforcement mechanisms and mobilizing businesses across industry sectors most impacted by illicit trade. For more information, visit www.TRACIT.org.

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