



Uganda Revenue Authority  
DEVELOPING UGANDA TOGETHER

# **Counterfeiting and its impact on Socio-Economic Development**

James Kisaale

Assistant Commissioner Enforcement

25-26 March 2015

# GLOBAL SITUATION OF ILLICIT TRADE

- Illicit trade where counterfeiting falls contributes to more than \$300 billion per year in trade.
- Illicit trade constitutes a major security challenge that no single country or anti-illicit organization could possibly manage alone.
- A multilateral and multidimensional response from Law Enforcement Agencies (LEAs) is needed to combat it. (*Institute for Foreign Policy Analysis, 2010*).

# GLOBAL SITUATION...

- The size of the illicit trade varies between countries from 1% to about 40–50% of the market, 11.6% globally, 16.8% in low-income and 9.8% in high-income countries.
- The total lost revenue is about \$40.5 billion a year. If this illicit trade were eliminated governments would gain at least \$31.3 billion a year(*Joossens, et.al, 2010*).

# GLOBAL STATISTICS

## Black Market & Illicit Trade Statistics (2013)

INDUSTRY	US MARKET VALUE
<i>Number of jobs created by the black market globally</i>	<i>1.8 billion</i>
Counterfeiting	\$225 Billion
Movie Piracy	\$25 billion
Music Piracy	\$12.5 billion
Software Piracy	\$9.7 billion

**Source: CNN, Federal Bureau of Investigations, ABC News, United Nations**  
**<http://www.statisticbrain.com/black-market-illicit-trade-statistics/>**

# WCO IPR REPORT

- Significant increase in the number of countries reporting data on IPR infringements in 2013 compared to 2012.
- Whereas 2012 registered 22,543 cases,
- 2013 registered 24,092 cases equivalent to 3 billion units and 1,023,376 kg of goods suspected of IPR infringements  
( *WCO illicit report, 2013*).



# EAC SITUATION

- East Africa loses over USD500million (40billion shillings) annually in tax revenue due to counterfeit and pirated products finding their way into the market(*Lusekelo,2010*).
- The East African Business Council (EABC) observed that “*the profitability and market share of EAC companies, especially those involved in the manufacture of fast moving consumer goods have been negatively affected by counterfeits and pirated products*”(Lusekelo, 2010)

# EFFECTS OF COUNTERFEITS

- Loss of government revenue for public expenditure
- Unleveled competition in the market
- Suffocates domestic production/ unemployment
- Health hazards/ loss of lives
- Increased organized crime, insecurity, terrorism, etc.



# URA-CUSTOMS RESPONSES

- **Partnership with IPR owners**

*Coordination with the various trade mark and brand representatives or ambassadors.*

- **Coordination** with other law enforcement agencies (UNBS, NDA, Police, etc for Inter-agency operations).

- **Public awareness and sensitization drives** – Radio talk shows, Workshops.

# JONNIE WALKER

*Counterfeits*



*Genuine ones*



# Counterfeit Johnnie walker whiskies destined for the DR Congo





# COUNTERFEIT ALCOHOL DESTROYED



In Feb 2015, Total of 6488 cartons of fake Jonnie Walker spirit were Valued at \$648,800 which is approximately sh1,881,520,000 and taxes payable was at sh2,930,960,345

## Counterfeit Alter wine Sold in different Ugandan Supermarkets



## Counterfeit Uganda money found concealed in television set in December 2012 in Bus Terminal





# “Operation wipe out” 2014 against Counterfeit HP products





**Gadgets used in counterfeiting  
hp products**

**sealant used on printers  
cartridges.**



# Fake skin lightening creams intercepted.





**A consignment of beauty soap impounded during a routine sweep in one of the bonded warehouses in Kampala..**



# COLLAGE

# APREAFRESH







# Kiwi shoe polish declared as shoe brushes

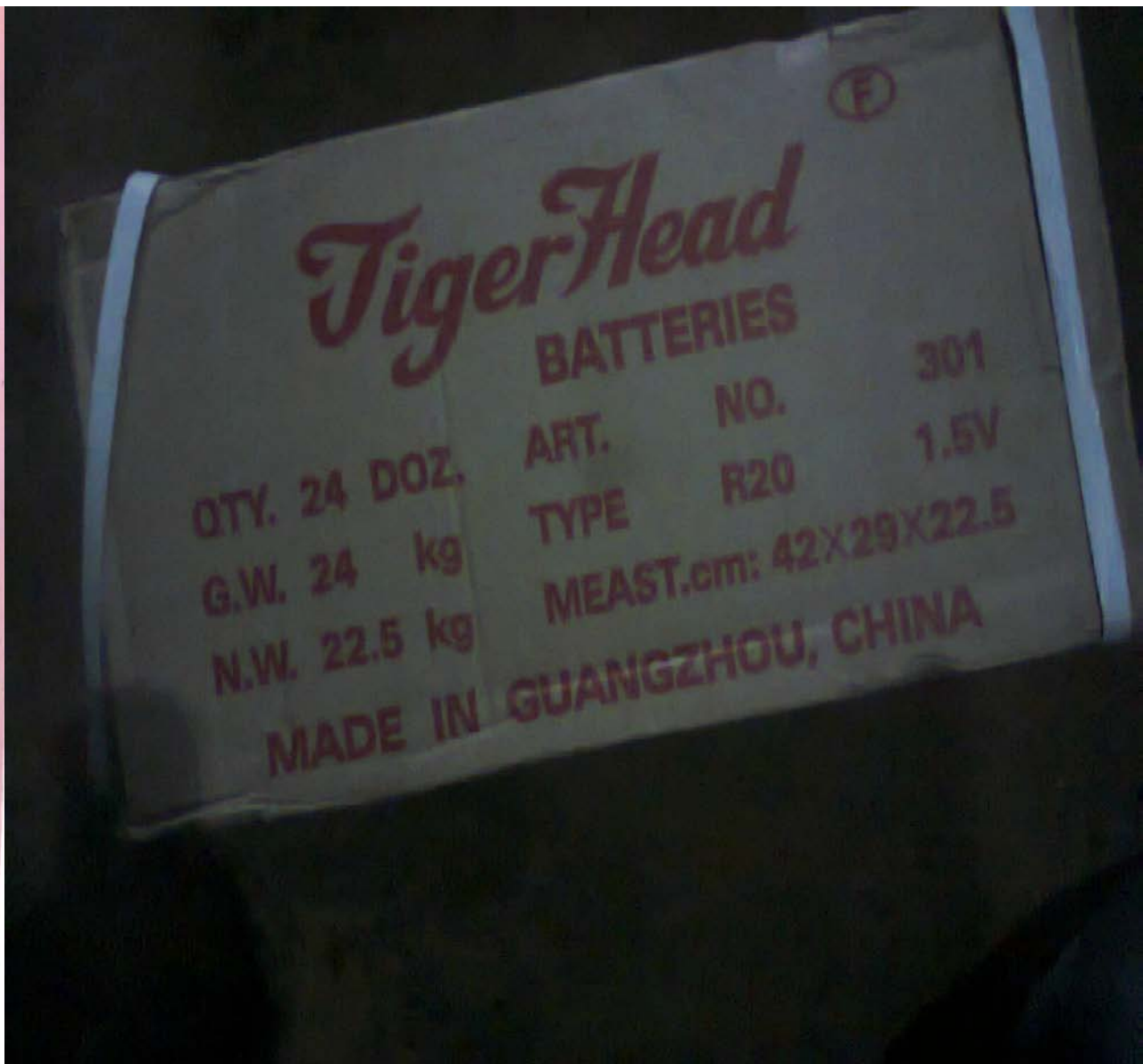


# Kivie vs. Kiwi





# Counterfeit Tiger head batteries



## WAY FORWARD

- More involvement of IPR owners in the fight against infringement
- Enhance public awareness on consumer safety
- Strengthen Legal & Regulatory frameworks
- Enhanced networking among Law Enforcement Agencies

***THANK YOU!***