

Up to **GBP 49 billion** lost each year in the EU due to counterfeiting in 11 key economic sectors

- ◇ Losses are equivalent to 7.4% of all EU-wide sales in the sectors studied
- ◇ In the UK, up to GBP 5.98 billion is estimated to be lost each year across 11 sectors
- ◇ Lost sales in the UK are estimated at 6.7% of all sales in 11 sectors

A new estimate from the European Union Intellectual Property Office (EUIPO) puts the annual losses due to counterfeiting and piracy across 11 key economic sectors in the EU at up to **GBP 49 billion** each year.

The updated analysis puts the overall losses at **7.4% of all sales** in the following sectors: cosmetics and personal care; clothing, footwear and accessories; sports goods; toys and games; jewellery and watches; handbags and luggage; recorded music; spirits and wine; pharmaceuticals; pesticides; and smartphones.

Given that legitimate manufacturers produce less than they would have had in the absence of counterfeiting, therefore employing fewer workers, the analysis estimates that up to **468 000 jobs** are directly lost in these sectors across the EU.

The United Kingdom

In the United Kingdom, annual losses due to counterfeiting and piracy are estimated at **GBP 5.98 billion**, equivalent to **6.7% of sales** in the 11 sectors.

Taken as a whole, the total value of the lost sales in the UK is equivalent to **GBP 92 per UK citizen per year**, according to the analysis.

This is the second sector-wide assessment released by the EUIPO of the economic impact of counterfeiting and piracy in key economic sectors known to be vulnerable to intellectual property rights infringement.

The study estimates that, since the first analysis in 2018, the amount of lost sales has dropped at EU level in all but two of the sectors studied: clothing, accessories and footwear; and cosmetics and personal care.

The clothing, footwear and accessories sector

The clothing, footwear and accessories sector is the largest of all the sectors studied in terms of sales volume and employment.

According to the estimate, the sector has EU-wide lost sales equivalent to approximately **GBP 23.2 billion** each year, or **9.7%** of all sales.

In the UK, lost sales in the clothing, footwear and accessories sector due to counterfeiting are estimated at around **GBP 2.9 billion** annually, or around **6.7%** of sales.

The cosmetics and personal care sector

The presence of counterfeit goods in the marketplace leads to an estimated loss of **EUR 5.7 billion** per year for the cosmetic and personal care sector in the EU, according to the report. This is equivalent to **10.6%** of all sales in the sector.

In the UK, the estimated loss for the cosmetics and personal care sector is **GBP 1 billion**, equivalent to **13.2%** of all sales in the sector.

The Executive Director of the EUIPO, Christian Archambeau, said:

Europe depends on industrial sectors like the 11 sectors studied here for its growth and job creation. But our research work shows how counterfeiting and piracy can put growth and jobs at risk. We carry out this analysis, and our wider body of research, to support policy makers in devising solutions to this problem, and to help make EU consumers aware of the economic consequences of counterfeiting and piracy at a wider level.

The estimates are contained in the 2019 Status Report on IPR Infringement, released today, which brings together the EUIPO's reporting work at EU and at global level.

It includes research on the volume of counterfeit and pirated goods in international trade, as well as showing the economic contribution of intellectual property-rights intensive industries to economic growth and jobs. The report also contains new research outlining how small and medium enterprises (SMEs) that use intellectual property rights like trade marks, designs and patents have a greater probability of achieving high-growth than other SMEs.

NOTE TO EDITORS

The EUIPO has been tracking the economic impact of counterfeiting on 11 key economic sectors within the EU, all of which are known to be vulnerable to intellectual property rights infringements, over a five year period (from 2012 to 2016). The 11 affected sectors referred to in the study are: cosmetics and personal care; clothing, footwear and accessories; sports goods; toys and games; jewellery and watches; handbags and luggage; recorded music; spirits and wine; pharmaceuticals; pesticides; and smartphones.

ABOUT THE EUIPO

The EUIPO is a decentralised agency of the EU, based in Alicante, Spain. It manages the registration of the European Union trade mark (EUTM) and the registered Community design (RCD), both of which provide intellectual property protection in all EU Member States. The EUIPO also carries out cooperation activities with the national and regional Intellectual Property offices of the EU.

The European Observatory on Infringements of Intellectual Property Rights was established in 2009 to support the protection and enforcement of intellectual property rights and to help combat the growing threat of intellectual property infringements in Europe. It was transferred to the EUIPO on 5 June 2012 by Regulation (EU) No 386/2012 of the European Parliament and of the Council.

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