

## **Counterfeit goods cost clothing, cosmetics and toy industries €16 billion & nearly 200,000 jobs per year in Europe**

- **In the EU, Germany is the country most affected by counterfeits in the toy and clothing sector, while France is the most affected in the cosmetics sector.**
- **The clothing industry suffers the most from counterfeit goods, losing almost €12 billion of annual revenue (5.2 % of sales)**
- **The cosmetics sector and toy industry also have significantly lower sales due to counterfeit products with losses of €3 billion (4.8 % of sales) and €1 billion (8.7 % of sales)**
- **Fake goods mean fewer jobs: 160,000 fewer in the clothing sector, 32,000 fewer in cosmetics and 3,600 fewer in the toy sector**

Clothing, shoes, cosmetics and toys – these gifts are on many consumers wish lists throughout the holidays and now in the sales period. But while these consumer goods generate turnover of hundreds of billions of euro in the European Union every year, they also fall victim to counterfeit goods, which can also have serious health and safety issues for consumers.

Fake goods in these sectors cost genuine manufacturers €16 billion in annual sales and, consequently, eliminate nearly 200,000 jobs in the legitimate economy. These findings come from a study published today by the European Union Intellectual Property Office (EUIPO) that looks at the economic impact of counterfeiting on the clothing, cosmetics and toy sectors.

### **A HIDDEN COST WITH A BIG IMPACT**

Drawing on data from 2018-2021, the EUIPO study found that sales of legitimate clothing and footwear, cosmetics and toys suffered annual losses of €12 billion, €3 billion and €1 billion, respectively.

Collectively across these sectors, Germany, France, Italy, Spain and Austria incurred the largest losses, with nearly €8 billion in reduced sales of genuine goods.



However, knock-off goods impact some countries more than others, with significant differences across the types of goods.

**The toy sector is the most affected by counterfeits;** the report indicates that across the EU, the sector incurs an overall loss of 8.7 %, with double-digit percentages in more than half of EU countries. Malta (16.2 %), Croatia (14.2 %), Cyprus (14.1 %), Hungary (13.7%) and Slovenia (13.1 %) are five countries where toy sales are most susceptible to counterfeit goods. **With 334 million in lost sales, Germany is the country most impacted by fake toys and accounts for one-third of all lost sales in the EU in the toy sector.**

The clothing and footwear industry, the largest sector the study analysed in terms of sales, faces a loss of around 5 % in Europe, with Cyprus (10.7 %), Ireland (10.2 %), Luxembourg (9.2 %), Lithuania (9.1 %) and Estonia (8.7 %)

Of the three sectors studied, the cosmetic sector suffered the least from counterfeit goods. The EUIPO report found losses to genuine cosmetics producers amounting to slightly less than 5 % of total sales in the EU. **The French cosmetics industry is the most affected in absolute terms, with €800 million in annual lost sales.** The report found the highest losses in Bulgaria (8.7 %), Cyprus (7.9 %), Romania (7.9 %), Portugal (7.7 %) and Hungary (7.6 %).

In addition to monetary losses and impacts on the job market, the report notes that counterfeiting in the cosmetics and toys sectors, in particular, can pose significant **health and safety risks for consumers**. Such potentially harmful products account for 15 % of counterfeit articles seized at the EU's external borders, according to a [2022 EUIPO threat assessment of IP crime](#).

## COUNTERFEIT GOODS & JOBS

The EUIPO's study of sales trends in these three sectors highlights the scale of counterfeiting for legitimate businesses, which suffer from decreased sales and, as a direct consequence, employ fewer people.

**Germany, as the largest consumer market in the EU, loses out on nearly 40,000 jobs,** according to the report. Other large countries experience losses in their clothing, cosmetics and toy sectors including Italy (24,241), Poland (18,244), Spain (15,044) and France (14,427).

The Executive Director of the EUIPO, **João Negrão**, said:

*Counterfeit goods have real costs – for consumers, for brands and for our economies. This latest study shows the very real costs when it comes to lost revenue and jobs in the EU. The findings on counterfeiting highlight the valuable work the EUIPO is conducting through the Observatory and the important collaboration we have with EUROPOL, the European Anti-Fraud Office OLAF and the European Commission to identify and stamp out fake goods in the EU.*



## UNDERLYING FACTORS

One important variable is EU consumers awareness and perceptions of fake goods. According to the EUIPO's [IP Perception Study](#) from June 2023, a third of Europeans find it acceptable to buy fakes when the price of the genuine product is too high. The proportion rises to half when it comes to young people. The study considers the share of people that acknowledge buying counterfeit goods, whether misled or intentionally in each country.

Additionally, the study relies on data from a [joint EUIPO-EUROPOL report](#) focused on polycriminality, which demonstrates that IP crime has links to other serious crimes, as well as an [annual report](#) published together with the European Commission's Directorate-General for Taxation and Customs Union with data on border and internal detentions of counterfeit goods.

## ABOUT THE EUIPO

The [EUIPO](#) is one of the largest decentralised agencies of the European Union, based in Alicante, Spain. Now in its 30th anniversary, the EU Intellectual Property Office manages the registration of EU trade marks since 1994 and designs since 2003, both of which are intellectual property rights that cover the 27 Member States of the European Union. In 2023, another IP right, craft and industrial geographical indications, was added to the agency's portfolio. The EUIPO also carries out cooperation activities at EU and international level to create a level playing field in the world of IP and hosts the [European Observatory on Infringements of Intellectual Property Rights](#).

### Media contact

#### EUIPO Communication Service

Tel.: +34 653 674 113

[press@euipo.europa.eu](mailto:press@euipo.europa.eu)

