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Container transport misused for fake trade

- **Sea transport accounts for the largest share of value of counterfeits**
- **56% of the total value of seized counterfeits are shipped in containers**
- **Main counterfeit shipments are from East Asia, especially China and Hong Kong (China)**
- **80% of international trade is operated by sea transport**

A new EUIPO-OECD study analyses the scale of misuse of containerised maritime transport for trade in counterfeit goods. It shows that maritime transport continues to be a major channel for the shipping of counterfeit goods, with China the main source of fake goods seized from containers.

Sea transport accounts for more than 80% of all merchandise traded internationally. Container ships boost efficiency and reduce the costs of international trade, but they can also be misused to transport counterfeit goods. Seizures of fakes shipped in containers represent a relatively low proportion of the total number of seizures, but they account for 56% of the total value of seized counterfeits.

China is the largest source of counterfeits shipped by containerised maritime transport, accounting for 79% of the total value of containers containing fakes seized worldwide.

Overall, global trade in counterfeit goods amounted to EUR 460 billion in 2016, or around 3.3% of global trade. Counterfeit goods accounted for 6.8% of goods imports into the EU from third countries, worth EUR 121 billion.

The study covers:

- what types of fake products are traded in containers ships;
- where these counterfeits are produced;
- which geographic markets are targeted;
- which ports of entry are most often used for containers with counterfeits;
- how products are transported in container ships without being intercepted.

All types of counterfeit goods are shipped by sea, ranging from high-value electronic equipment, to leather goods, clothing, cosmetics, toys and games as well as pharmaceutical products and equipment.

For example, the global trade in counterfeit electronic devices and electrical equipment was valued at EUR 125 billion in 2016. This represents more than 5.6% of the total trade in those products. Almost half (49%) of the total value of seized counterfeit electronics was transported by sea.

Issues identified in the report include the need for counterfeits to be a key priority for customs officials with search and inspection techniques and tools better tailored to detect fakes. Over the years, international trade has grown considerably and the increase in counterfeit trade has come as an inevitable side effect.

The growth of the overall volume of trade and the increasing capacity of the largest ships puts additional burdens on customs. X-ray or gamma-ray scanning of containers can be effective means of detecting other types of illegal shipments, such as narcotics, weapons or wildlife trafficking. They are, however, not effective in detecting counterfeit goods, for which physical inspection is the only effective tool.

Less than 2% of containers are physically inspected, which creates significant opportunities for criminal networks to abuse this critical supply chain channel.

Commenting on the report, the Executive Director of the EUIPO, **Christian Archambeau**, said:

Heightened concern over counterfeit personal protection equipment and medicines as a result of the COVID-19 crisis has opened a window for significant progress to be made in countering this illicit trade. We need a concerted effort to combat fakes of all kinds, on all routes whether by sea in containers or in small postal packets. Counterfeits harm legitimate trade, are often dangerous and need to return to being a priority in enforcement against international crime.

ABOUT THE EUIPO

[The European Union Intellectual Property Office](#) (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 infringement 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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