

## €1.3 billion lost every year across the EU due to fake spirits and wine

The production of fake spirits and wine costs EU businesses €1.3 billion each year.

A new [report](#) from the European Union Intellectual Property Office (EUIPO) shows that 4.4% of legitimate sales of spirits and 2.3% of legitimate sales of wine are lost each year due to counterfeiting of alcoholic drinks. Those lost sales translate into 4,800 jobs directly lost across the spirits and wine sectors in the EU, as legitimate manufacturers employ fewer people than they would have done in the absence of counterfeiting.

When the knock-on effects of counterfeit wines and spirits in the marketplace are taken into account, 18,500 additional jobs are lost in the EU economy, of which notably 8,600 jobs are in agriculture and 1,300 jobs in the food industry.

The total yearly loss of government revenue as a result of counterfeit products in these sectors across the EU-28 in terms of household income taxes, social security contributions, corporate income taxes, VAT and excise duties is estimated at €1.2 billion.

The Executive Director of the EUIPO, António Campinos said:

*“The spirits and wine manufacture sector in the EU is overwhelmingly made up of small and medium enterprises, with an average of 10 workers per firm. This report shows the economic impact of counterfeiting on this industry, and its consequences for the EU economy as a whole. Our findings are intended to help policy makers as they respond to the challenges of counterfeiting in this crucial economic sector.”*

Today’s report is the eighth in a series of studies released by EUIPO via the European Observatory on Infringements of Intellectual Property Rights into the economic impact of counterfeiting in industrial sectors in the EU. The series previously looked at: the [recorded music sector](#), the [watches and jewellery sector](#), the [handbags and luggage sector](#), the toys and games sector; the sports goods sector; the clothes, shoes and accessories sector; and the cosmetics and personal care items sector.

**Spain:** The report estimates that €263 million is lost in the Spanish wine and spirits manufacturing sector annually as a result of counterfeiting, with the Spanish exchequer losing €90 million each year in lost excise duties.

**France:** The French spirits and wine manufacturing sectors lose an estimated €136 million in sales each year due to counterfeiting. €100 million is lost each year in excise duties in France due to the presence of counterfeit wines and spirits in the market.

**Italy:** Together, the spirits and wine manufacture sectors lose €162 million annually in Italy – 2.7% of the total market. A further €18 million is lost each year in excise duties.

**Germany:** The report estimates that counterfeit spirits and wines cost the German manufacturing sector €140 million each year. A further €65 million is lost each year in excise duties.

**United Kingdom:** Total lost sales in the wine and spirit manufacturing sectors are estimated as €87 million each year (€25 million for spirits and €62 million for wine). The UK loses an estimated €197 million each year in excise duties due to counterfeit wines and spirits.

#### NOTE TO EDITORS

Today's report is the eighth in a series of [sectorial reports](#) quantifying the economic impact of counterfeiting. Future reports will study additional sectors, including medicines, computers, automotive parts and other sectors thought to be vulnerable to intellectual property rights infringements.

#### 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 28 EU Member States, as well as carrying out cooperation activities with the national and regional IP offices of the EU. Up until 23 March 2016, the EUIPO was known as the Office for Harmonization in the Internal Market (OHIM).

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

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