

Media Release

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## Counterfeits are costing Switzerland dearly – a new OECD study concludes

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**Buying counterfeits costs consumers huge sums of money. The corresponding trade damages the good reputation of Swiss companies and reduces their turnover by billions each year. As a result, in 2018, Switzerland forfeited over 10,000 jobs. For the first time, a new study by the Organisation for Economic Co-operation and Development (OECD) has provided concrete figures on the issue.**

Global trade in counterfeit “Swiss” products such as watches, household appliances and medicines causes significant economic damage, as well as sometimes impacting health. In 2018, customers across the world paid over 2 billion Swiss francs for counterfeit “Swiss” products – believing they were buying an original. In the long term, this threatens the good reputation of Swiss enterprises. This is according to a new study by the Organisation for Economic Co-operation and Development (OECD), mandated by the Swiss Federal Institute of Intellectual Property (IPI).

Alongside reputation, revenue is also suffering. Swiss companies were cheated out of around 4.5 billion Swiss francs in 2018. The watch and jewellery industry was most affected, with a loss in turnover of 2 billion Swiss francs. However, counterfeiters also targeted goods from the machinery, electronics and metal industries. The turnover of these industries was diminished by around 1.2 billion Swiss francs. Other frequently counterfeited products marked with a Swiss label included clothing and shoes. Since the outbreak of the coronavirus pandemic and due to the increase in online trade, more counterfeit medicines have been seized.

According to the OECD, the vast majority of “Swiss fakes” came from China and Hong Kong, followed by Singapore and Turkey. India was also involved in the counterfeiting of medicinal products.

### ***Foul play costs thousands of jobs***

Less turnover also means fewer jobs. According to OECD figures, Swiss enterprises could have offered over 10,000 more job positions in 2018 if the counterfeiting industry did not exist. The watch and jewellery industry alone lost four out of ten jobs. However, the public sector was also affected – according to the study authors’ estimates, its revenue lost out on almost 160 million Swiss francs.

The OECD took all counterfeits seized worldwide that primarily infringed the trade mark rights of Swiss companies into account in the study. The authors factored in that, in around half of the cases, the consumers consciously bought a counterfeit; this kind of purchase therefore did not replace the purchase of an original product.

### ***Stricter measures from the authorities and the business community***

This study has quantified the implications of the global counterfeiting industry for Switzerland for the first time. “The losses are so significant that they require us all to take decisive action,” says Anastasia Li-Treyer, Head of Promarca (the Swiss association for brand-name products) and President of the Swiss Anti-Counterfeiting and Piracy Platform STOP PIRACY on the findings.

The authorities and the business community are already actively involved in the fight against the counterfeiting industry, for example, through campaigns aimed to raise consumer awareness. According to Ms Li-Treyer, the study provides a solid basis for decision-making – together with policy – to disrupt the underhanded practice of counterfeiters in a more targeted manner. To this end, in future, the IPI will advocate even more intensively for minimum standards for the enforcement of intellectual property rights in free trade agreements. The goal is to uncover and stop the activities of counterfeiters where the infringement of rights begins.

### **About the Swiss Federal Institute of Intellectual Property (IPI)**

The Swiss Federal Institute of Intellectual Property (IPI) is the federal centre of competence for patents, trade marks, geographical indications, design and copyright. Individuals and companies can register their inventions and creations with the IPI to protect them from being copied. In addition to this, the IPI informs the public about the IP rights system of protection.

The IPI is involved with the Swiss anti-counterfeiting and piracy platform STOP PIRACY. It also monitors the key Swiss sales markets, including China, and intervenes in suspected cases of ‘Swissness’ misuse.

### **About STOP PIRACY**

STOP PIRACY is the Swiss anti-counterfeiting and piracy platform. The non-profit organisation works to educate and raise awareness among consumers as well as promote cooperation between the business community and the authorities.

From 7 to 24 March 2021, a campaign initiated by STOP PIRACY is running on Instagram in which Swiss influencers are raising awareness of counterfeit goods.

Also in March, STOP PIRACY carried out two destruction drives where 1.5 tonnes of watches were destroyed by a construction roller and 700 kilograms of medicines were disposed of. These counterfeits, most of which were ordered online, were intercepted by the Swiss Customs Administration at the Swiss border.

**Links:**

[OECD study 'Counterfeiting, Piracy and the Swiss Economy'](#)

Press material at [www.stop-piracy.ch](http://www.stop-piracy.ch)

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