

EUR 83 billion and 790 000 jobs lost every year across the EU due to counterfeiting and piracy

- **7.4 % of sales in nine sectors** are lost due to the presence of fakes in the market.
- Clothes, toys, sports goods, jewellery, handbags and music among the sectors affected.
- Government revenue lost as a result of counterfeiting and piracy estimated at **EUR 14.3 billion**.

With the festive season approaching, millions of shoppers across the EU-28 are buying Christmas presents for family and friends.

But the negative economic effect of counterfeit and pirated goods lasts all year round.

A series of studies carried out by the European Union Intellectual Property Office (EUIPO) through the European Observatory on Infringements of Intellectual Property Rights, estimates that **over EUR 48 billion** — or **7.4 % of all sales** — is lost every year in **nine sectors**, due to the presence of fake goods in the marketplace. Every year, an additional **EUR 35 billion** is also lost across the EU economy due to the indirect effects of counterfeiting and piracy in these sectors, as manufacturers buy fewer goods and services from suppliers, causing knock-on effects in other areas.

The nine affected sectors are: cosmetics and personal care; clothing, footwear and accessories; sports goods; toys and games; jewellery and watches; handbags; recorded music; spirits and wine; and pharmaceuticals.

Those lost sales translate into close to 500,000 jobs directly lost or not created across these sectors in the EU, as legitimate manufacturers and in some case distributors of corresponding products employ fewer people than they would have done in the absence of counterfeiting and piracy.

When the knock-on effect of counterfeits on other sectors is taken into account, an additional 290,000 jobs are lost elsewhere in the EU economy.

The studies were carried out between March 2015 and September 2016 by the EUIPO, to build up a fuller picture of the economic cost of counterfeiting and piracy in the EU.

The study series also tracks the effect of fakes on public finances. In total, the yearly loss of government revenue arising from counterfeiting and piracy in these nine sectors is estimated at **EUR 14.3 billion**, in terms of lost income tax, VAT and excise duties.

The Executive Director of the EUIPO, António Campinos said:

We hope that the results of our study series will help consumers make more informed choices. This is all the more important at this time of the year, when consumers and citizens are doing their Christmas shopping and choosing gifts for their dear ones. Through our reporting and analysis, we can see the economic effects that counterfeiting and piracy have on sales and jobs. The situation varies from Member State to Member State, but the overall picture from our study series is very clear — counterfeiting and piracy have a negative effect on the EU economy and on job creation.

The study series will continue throughout 2017, with reports on the economic effects of counterfeiting and piracy in the smartphone and pesticide sectors, as well as in other economic sectors thought to be vulnerable to intellectual property rights infringements.

NOTE TO EDITORS

The Quantification of Infringement series of studies carried out by the EUIPO through the European Observatory of Intellectual Property Rights previously looked at: [the pharmaceutical sector](#), [the spirits and wine sector](#); [the recorded music sector](#); [the watches and jewellery sector](#); [the handbag and luggage sector](#); [the toys and games sector](#); [the sports goods sector](#); [the clothes, shoes and accessories sector](#); and [the cosmetics and personal care sector](#).

France: it is estimated that over € 9.4 billion, is lost annually as a result of counterfeiting, with over 6 billion euros directly lost in the sectors identified, amounting to 6.6% of their sales. This translates into 69,600 jobs lost, with 38,500 jobs directly lost in these sectors.

France is the 2nd country most affected if we consider TOTAL (direct and indirect) sales lost due to counterfeiting and the third country most affected by direct lost sales. Considering lost jobs, France is the 5th country more affected by counterfeiting. By sectors it's the country with highest direct sales lost in sports goods and second one in cosmetics and jewellery.

Italy: it is estimated that over € 12.9 billion, is lost annually as a result of counterfeiting, with over 8.1 billion euros directly lost in the sectors identified, amounting to 7.5% of their sales. This translates into 107,700 jobs lost, with 68,300 jobs directly lost in these sectors.

Italy is the most affected country by absolute losses in both sales and jobs considering all sectors and direct and indirect effects. It's the 1st country by sales lost in clothing, medicines, handbags and jewellery and also ranking 1st in last 2 sectors for jobs lost.

Netherlands: it is estimated that over € 2.4 billion, is lost annually as a result of counterfeiting, with over 1.7 billion euros directly lost in the sectors identified, amounting to 5.2% of their sales. This translates into 25,800 jobs lost, with 14,000 jobs directly lost in these sectors.

Netherlands is the 5th country least affected by lost sales, considering all sectors. The relative impact in sales is below the EU average except in handbags and recorded music sectors. Most affected sector is clothing and footwear with direct jobs lost accounting for 11,400 jobs, more than 80% of direct jobs lost in all sectors analysed.

Slovenia: it is estimated that over € 213 million, is lost annually as a result of counterfeiting, with over 144 million euros directly lost in the sectors identified, amounting to 8.4% of their sales. This translates into 4,700 jobs lost, with 2,100 jobs directly lost in these sectors.

Relative lost sales in Slovenia is above the EU average and below the EU average in jobs lost in the sectors analysed, considering Slovenia is not a producing country in these sectors. Most affected sector compared with EU average is medicines with practically the same value of lost sales than clothing and footwear sector.

United Kingdom: it is estimated that over € 7.5 billion, is lost annually as a result of counterfeiting, with over 5.4 billion euros directly lost in the sectors identified, amounting to 6.7% of their sales. This translates into 80,500 jobs lost, with 50,800 jobs directly lost in these sectors.

UK is the 4th country most affected by jobs lost due to counterfeiting and the 5th by lost sales in absolute terms considering all sectors. UK is the country most affected by music piracy, notably because of the size of the music market and the size of the digital market, the 2nd one by lost sales in games and 3rd one in clothing and footwear sector.

Austria: it is estimated that over € 1.1 billion, is lost annually as a result of counterfeiting, with over 1 billion euros directly lost in the sectors identified, amounting to 8.6% of their sales. This translates into 10,200 jobs lost, with 8,400 jobs directly lost in these sectors.

Relative lost sales in Austria are above the EU average and below the EU average in jobs lost considering all sectors analysed. Most affected sector is sports goods with a relative effect in lost sales below the EU average but relatively high absolute effect.

Bulgaria: it is estimated that over € 382 million, is lost annually as a result of counterfeiting, with over 319 million euros directly lost in the sectors identified, amounting to 16.8% of their sales. This translates into 23,400 jobs lost, with 20,100 jobs directly lost in these sectors.

Bulgaria is relatively the country most affected by lost sales due to counterfeiting (more than double the EU average) and the 4th country by lost jobs. Medicines is the most affected sector compared with the EU average with lost sales accounting for 17.6% of legitimate sales and four times the EU average. **The Pharmaceutical sector is the sector with highest lost sales due to counterfeiting in absolute terms in the country with half of lost sales in all sectors considered.** Wine and spirits is the most affected sector compared with the EU average by jobs lost and ranks 3rd with more than 10% of all jobs lost in EU due to counterfeiting in this sector located in Bulgaria.

Czech Republic: it is estimated that over € 713 million, is lost annually as a result of counterfeiting, with over 547 million euros directly lost in the sectors identified, amounting to 8.3% of their sales. This translates into 13,800 jobs lost, with 8,400 jobs directly lost in these sectors.

Relative lost sales and jobs due to counterfeiting are above the EU average in Czech Republic. In absolute terms the country ranks fourth in lost jobs in sports goods with more than 10% of jobs lost in the EU due to counterfeiting in this sector.

Germany: it is estimated that over € 9.1 billion, is lost annually as a result of counterfeiting, with over 6.1 billion euros directly lost in the sectors identified, amounting to 5.6% of their sales. This translates into 84,400 jobs lost, with 60,000 jobs directly lost in these sectors.

Germany is the 3rd country most affected with total sales and jobs lost due to counterfeiting, which reflects the importance of the country as a producing country. However, it is also the 5th least affected country considering jobs lost in affected sectors and 6th in sales lost with only one sector with relative effects above the EU average, handbags. Germany is the most affected country in direct employment losses due to counterfeiting in the EU in two sectors: medicines and games.

Spain: it is estimated that over € 8.8 billion, is lost annually as a result of counterfeiting, with over 7.1 billion euros directly lost in the sectors identified, amounting to 11.6% of their sales. This translates into 98,500 jobs lost, with 67,200 jobs directly lost in these sectors.

Spain is the 2nd country by total losses in sales and employment and the 3rd country with higher relative losses in employment in affected sectors. Spain is the country of the EU with higher lost

sales in cosmetics and wine and spirits sectors and also higher employment losses in those sectors and also in clothing and footwear sector

Poland: it is estimated that € 1.2 billion is directly lost annually as a result of counterfeiting, in the sectors identified, amounting to 6.2% of the sales of these sectors. This translates into over 29,300 jobs directly lost in these sectors.

Relative lost sales and jobs due to counterfeiting in selected sectors are below the EU average in Poland. Only two sectors present relative lost sales above the EU average: clothing, footwear and medicines. In the hand bag sector, Poland ranks 3rd in job losses in absolute terms.

Cyprus: it is estimated that € 184 million is directly lost annually as a result of counterfeiting, in the sectors identified, amounting to 13.8% of the sales of these sectors. This translates into over 1,500 jobs directly lost in these sectors.

Relative lost sales and jobs due to counterfeiting are above the EU average in Cyprus ranking second in relative lost employment and 6th in lost sales with wine and spirits, sports goods and medicines the most affected sectors compared with EU average.

Denmark: it is estimated that € 622 million is directly lost annually as a result of counterfeiting, in the sectors identified, amounting to 4.2% of the sales of these sectors. This translates into over 4,100 jobs directly lost in these sectors.

Denmark is the 2nd least affected country with losses (sales and jobs) due to counterfeiting. All sectors present relative losses below the EU average except recorded music explained by a very high share of digital music sales.

Estonia: it is estimated that € 65 million is directly lost annually as a result of counterfeiting, in the sectors identified, amounting to 7.8% of the sales of these sectors. This translates into over 1,200 jobs directly lost in these sectors.

Relative lost sales due to counterfeiting in Estonia are above the EU average with wine and spirits the most affected sector compared with EU average.

Greece: it is estimated that € 2.1 billion is directly lost annually as a result of counterfeiting, in the sectors identified, amounting to 15.6% of the sales of these sectors. This translates into over 24,600 jobs directly lost in these sectors.

Greece is the most affected country relatively by job loss due to counterfeiting (15% of total jobs in the selected sectors) and the 4th country by lost sales. Cosmetics and medicines are the most affected sectors compared with EU average with 20% and 12% of lost sales respectively.

Finland: it is estimated that € 125 million is directly lost annually as a result of counterfeiting, in the sectors identified, amounting to 1.8% of the sales of these sectors. This translates into over 1,000 jobs directly lost in these sectors.

Finland is the least affected country relatively with losses (sales and jobs) due to counterfeiting with relative lost sales only one fourth of the EU average. All sectors present relative losses significantly below the EU average (less than half the EU average) with the exception of recorded music.

Croatia: it is estimated that € 261 million is directly lost annually as a result of counterfeiting, in the sectors identified, amounting to 8.9 % of the sales of these sectors. This translates into over 4,200 jobs directly lost in these sectors.

Relative lost sales and jobs due to counterfeiting are above the EU average in Croatia. Handbags is the sector relatively most affected by lost sales compared with EU average.

Ireland: it is estimated that € 885 million is directly lost annually as a result of counterfeiting, in the sectors identified, amounting to 5.2% of the sales of these sectors. This translates into over 3,500 jobs directly lost in these sectors.

Ireland is the 4th country least affected with lost sales and jobs. The relative impact in sales is above the EU average only in games, jewellery and recorded music sectors. **Medicines is the sector with highest lost sales due to counterfeiting in absolute terms, more than double than lost sales in clothing and footwear sector.**

Lithuania: it is estimated that € 174 million is directly lost annually as a result of counterfeiting, in the sectors identified, amounting to 14.6% of the sales of these sectors. This translates into over 3,000 jobs directly lost in these sectors.

Relative lost sales due to counterfeiting is above the EU average in Lithuania ranking 5th by lost sales. It is the country with the highest relative lost sales in clothing and footwear and sports goods sectors with 23% and 17% lost sales respectively. Relative lost jobs due to counterfeiting is below the EU average and ranks 3rd higher relative lost jobs in cosmetics sector.

Luxembourg: it is estimated that € 71 million is directly lost annually as a result of counterfeiting, in the sectors identified, amounting to 8.2% of the sales of these sectors. This translates into over 420 jobs directly lost in these sectors.

Luxembourg presents relative lost sales and jobs due to counterfeiting above the EU average. Relative lost sales in clothing and footwear and handbags sectors are the highest among all sectors considered and above 10%.

Latvia: it is estimated that € 140 million is directly lost annually as a result of counterfeiting, in the sectors identified, amounting to 15.7% of the sales of these sectors. This translates into over 2,500 jobs directly lost in these sectors.

Relative lost sales and jobs due to counterfeiting are above the EU average in Latvia ranking 3rd by lost sales and 6th by lost jobs. It is the 2nd country with the highest relative lost sales in clothing and footwear and sports goods sectors with 22% and 16% lost sales respectively.

Malta: it is estimated that € 43 million is directly lost annually as a result of counterfeiting, in the sectors identified, amounting to 8.7% of the sales of these sectors. This translates into over 530 jobs directly lost in these sectors.

Relative lost sales due to counterfeiting in the sectors analysed is above the EU average in Malta and below the EU average in lost jobs. Wine and spirits is the sector relatively more affected compared with EU average.

Portugal: it is estimated that € 1 billion is directly lost annually as a result of counterfeiting, in the sectors identified, amounting to 9.2% of the sales of these sectors. This translates into over 22,200 jobs directly lost in these sectors.

Relative lost sales and jobs due to counterfeiting are above the EU average in Portugal. Cosmetics is the most affected sector compared with EU average with 15% of losses in both indicators, sales and jobs.

Sweden: it is estimated that € 753 million is directly lost annually as a result of counterfeiting, in the sectors identified, amounting to 4.4% of the sales of these sectors. This translates into over 5,100 jobs directly lost in these sectors.

Sweden is the 3rd country least affected by losses due to counterfeiting. All sectors present relative losses below the EU average except recorded music explained by a very high share of digital music sales.

Hungary: it is estimated that € 732 million is directly lost annually as a result of counterfeiting in the sectors identified, amounting to 12.2% of their sales. This translates into 10,800 jobs directly lost in these sectors.

Relative lost sales and jobs due to counterfeiting are above the EU average in Hungary ranking 7th. **Medicines is the sector with highest lost sales due to counterfeiting in absolute terms, more than double of lost sales in clothing and footwear sector and ranking 3rd of all EU countries in relative terms.**

Romania: it is estimated that € 830 million is directly lost annually as a result of counterfeiting in the sectors identified, amounting to 15.9% of their sales. This translates into 26,600 jobs directly lost in these sectors.

Romania is the 2nd country most affected by lost sales due to counterfeiting (more than double the EU average). Medicines is the most affected sector with lost sales accounting for 16.6% of legitimate sales and four times the EU average and **it is the sector with highest lost sales due to counterfeiting in absolute terms accounting for more than half of lost sales in all sectors.**

Slovakia: it is estimated that € 271 million euros is directly lost annually as a result of counterfeiting in the sectors identified, amounting to 9.4% of their sales. This translates into 2,900 jobs directly lost in these sectors.

Relative lost sales due to counterfeiting is above the EU average in Slovakia and lost jobs below the EU average. **Medicines is the sector with highest lost sales due to counterfeiting in absolute terms.**

Belgium: it is estimated that € 1.9 billion euros is directly lost annually as a result of counterfeiting in the sectors identified, amounting to 9.1% of their sales. This translates into 8,800 jobs directly lost in these sectors.

Relative lost sales due to counterfeiting is above the EU average in Belgium and lost jobs below the EU average. Most affected sectors compared with EU average are sports goods and cosmetics with lost sales double the EU average.

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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