



Illicit Trade

Illicit Trade in Fakes under the COVID-19



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Preface

Illicit trade in counterfeit and pirated goods poses a major challenge to a global innovation-based economy. It damages economic growth and fuels organised crime, which can undermine trust in functioning markets and the rules-based international trading system. The COVID-19 pandemic has exacerbated existing problems by re-shaping value chains, shifting consumer demand, and, consequently, opening new opportunities for illicit trade networks. Policy makers need solid empirical evidence to take action against illicit trade. To meet this need, the OECD and the EU Intellectual Property Office (EUIPO) have joined forces to carry out a series of analytical studies. The results have been published in a series of reports that gauge illicit trade in counterfeit and pirated goods.

We are pleased to provide a unique insight to the observed trends of illicit trade in counterfeits during the COVID-19 pandemic. We are confident that the results will enhance our understanding of the risk that counterfeiting poses to the global economy and society, facilitate the development of innovative policy options to respond to these challenges, and promote clean trade in the post-COVID-19 recovery.



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Secretary-General,

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Foreword

Illicit trade in fake goods is a significant and growing threat in today's globalised and innovation-driven economy. Its harmful impact on economic growth, innovation, the rule of law and, ultimately, trust in well-functioning global markets, should not be underestimated.

In recent years, the OECD and the EU Intellectual Property Office (EUIPO) have been collecting evidence on various aspects of this risk. The results have been published in a series of reports, starting with *Trade in Counterfeit and Pirated Goods: Mapping the Economic Impact* (2016). These results have been expanded and updated in subsequent reports, including *Trends in Trade in Counterfeit and Pirated Goods* (2019) and *Global Trade in Fakes: A Worrying Threat* (2021). The findings are of concern, as trade in counterfeit and pirated goods was found to amount to up to 2.5 % of world trade in 2019; when considering only imports into the European Union, fake goods amounted to up to 5.8 % of imports. These shares have remained stable over the years, and illicit trade in fakes remains a serious risk to modern, open and globalised economies.

This report builds on previous analysis, presenting detailed quantitative information on the value of illicit trade in fake goods in the context of the COVID-19 pandemic, considering the profound shifts in consumer demand, changes in enforcement priorities, and sudden reshuffles in supply chains. The evidence in this report can serve to raise awareness of the risks of this trade and its implications for post-COVID-19 recovery policies.

This report was prepared under the auspices of the OECD Working Party on Countering Illicit Trade, which focuses on evidence-based research and advanced analytics to assist policy makers in mapping and understanding the vulnerabilities exploited and created by illicit trade.

Acknowledgements

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At the OECD, this study was conducted under the auspices of the Working Party on Countering Illicit Trade (WP-CIT). The report was prepared by Piotr Strykowski, Senior Economist, and Morgane Gaudiau, Economist at the OECD Directorate for Public Governance, jointly with Michał Kazimierzak, Economist at the European Observatory on Infringements of Intellectual Property Rights of the EUIPO and Nathan Wajsman, Chief Economist, EUIPO.

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The database on customs seizures was provided by the World Customs Organization (WCO) and supplemented with regional data submitted by the European Commission's Directorate-General for Taxation and Customs Union, the US Customs and Border Protection Agency and the US Immigration and Customs Enforcement. The authors express their gratitude for the data and for the valuable support of these institutions.

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Executive Summary

The COVID-19 pandemic, an unprecedented global event that began in 2020, has profoundly influenced almost every aspect of human life, including the dynamics of global trade and the proliferation of counterfeit goods. The rapid global spread of the virus, with its varying health impacts, prompted governments to swiftly enact a range of preventative and mitigative measures. These included widespread travel restrictions, lockdowns, and business closures, which had immediate and far-reaching effects on global trade.

In the short term, these measures led to significant disruptions in supply chains, decreased overall demand, a shift towards local production, protectionist policies by some nations, and substantial shipping disruptions. These changes directly impacted several sectors, particularly tourism and aeronautics, leading to economic downturns in these industries. Indirect effects of the pandemic on trade became more evident during the recovery phase, post the second wave. These included a substantial increase in e-commerce, a transition to digital services, and the accelerated digitization of customs processes, which facilitated trade during these challenging times.

The pandemic also presented unique opportunities for criminal networks involved in illicit trade in counterfeits. There was a noticeable shift in the nature and volume of counterfeit goods, initially marked by a decrease but followed by an increase in counterfeit COVID-related products like PPE, test kits, and medicines. Counterfeit operations expanded beyond COVID-related items to a wider range of products, taking advantage of the surge in online shopping. This shift towards e-commerce, a lasting impact of the pandemic, created new challenges in combating counterfeit trade.

Enforcement authorities faced their own set of challenges, including operational adjustments and staffing issues, which affected their ability to respond to the evolving counterfeit trade landscape. However, the observed decline in counterfeit seizures was attributable more to changes in trade volume than a reduction in enforcement efficiency.

The pandemic highlighted the necessity for a cohesive, integrated response to counterfeiting, encompassing international and national co-operation. Effective strategies involved rapid response teams, partnerships between enforcement agencies and businesses, remote working practices to protect field officers, and virtual training sessions. The fight against counterfeiting in the COVID-19 era underscored the need for comprehensive strategies that engage not only law enforcement but also financial, e-commerce, and telecommunication sectors. This integrated approach is crucial for understanding and combating the multifaceted challenges of counterfeit trade in a post-pandemic world.

1 Introduction

The COVID-19 pandemic, an unparalleled global event, has significantly affected nearly every sphere of human activity. Among the diverse sectors disrupted was the complex domain of counterfeiting and illicit trade, intertwined with the broader challenges of intellectual property rights (IPR) enforcement. For criminals that run illicit trade networks, the COVID-19 pandemic opened new opportunities for profits. Broken supply chains, strong demand for medicines, protective equipment and tests or limited capacities of law enforcement officials are factors that shaped the landscape of illicit trade.

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This report offers a qualitative attempt of understanding of how the COVID-19 pandemic reshaped the world of illicit trade in counterfeit goods. Results discussed in this report primarily rely on a set of structured interviews carried out in July-September 2023 with enforcement and industry delegates from OECD countries, and on findings of a set of deep-dive webinars organised by the OECD Task Force on Countering Illicit Trade¹ during the pandemic, between March 2020 and January 2021; see OECD (2020^[1]), (2020^[2]), (2021^[3]), (2021^[4]). In addition, the report also presents a set of quantitative illustrations drawn from the OECD-EUIPO database of seizures of counterfeit goods (Box 1.1).

The report is structured as follows. Chapter 2 discusses the main economic impacts of the COVID-19 pandemic, with a particular focus on the European Union. Chapter 3 describes its effects on trade in fakes through the lens of various experts, the challenges encountered, the evolving criminal tactics and potential solutions to mitigate escalating concerns. Chapter 4 concludes and flags some areas for future research.

Box 1.1. The OECD-EUIPO database of seizures of counterfeit goods

Data on customs seizures of counterfeit goods are used as a raw input for analysis. These data originate from national customs administrations and are aggregated and harmonised at the national or regional level and then submitted to international agencies that maintain datasets on seizures. These datasets were received from: (i) The World Customs Organization (WCO), (ii) the EC Directorate-General for Taxation and Customs Union (DG TAXUD), and (iii) the United States (US) Department of Homeland Security (DHS) containing the seizure data from US Customs and Border Protection (CBP, the US customs agency), and from US Immigration and Customs Enforcement (ICE). The global customs seizures data are available from 2011 to 2021.

An overview of customs seizure data used in this report can be found in dedicated overview publications, presented by EUIPO and DG Taxud (EUIPO, 2022^[5]), US CBP ICE (CBP, 2022^[6]), and the World Customs Organization (WCO, 2022^[7]) (WCO, 2023^[8]).

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Note

¹ As of July 2023, OECD Working Party on Countering Illicit Trade.

2

International trade during the pandemic: Facts, trends, and challenges

This chapter provides a comprehensive overview of the COVID-19 pandemic, setting the stage for a detailed understanding of its widespread impact. It begins by tracing the chronological progression of the pandemic, with a focus on identifying periods of heightened intensity. This background serves as a foundation for a deeper analysis of how the pandemic has affected various aspects of trade within the European Union. Particular attention is given to the trade in industrial goods, a sector that has been notably vulnerable to issues of counterfeiting during this period. This exploration aims to shed light on the multifaceted effects of the COVID-19 pandemic on the European Union's trade dynamics, offering insights into the challenges and adaptations that have arisen in this unprecedented global health crisis.

2.1. Chronology and scale of the pandemic

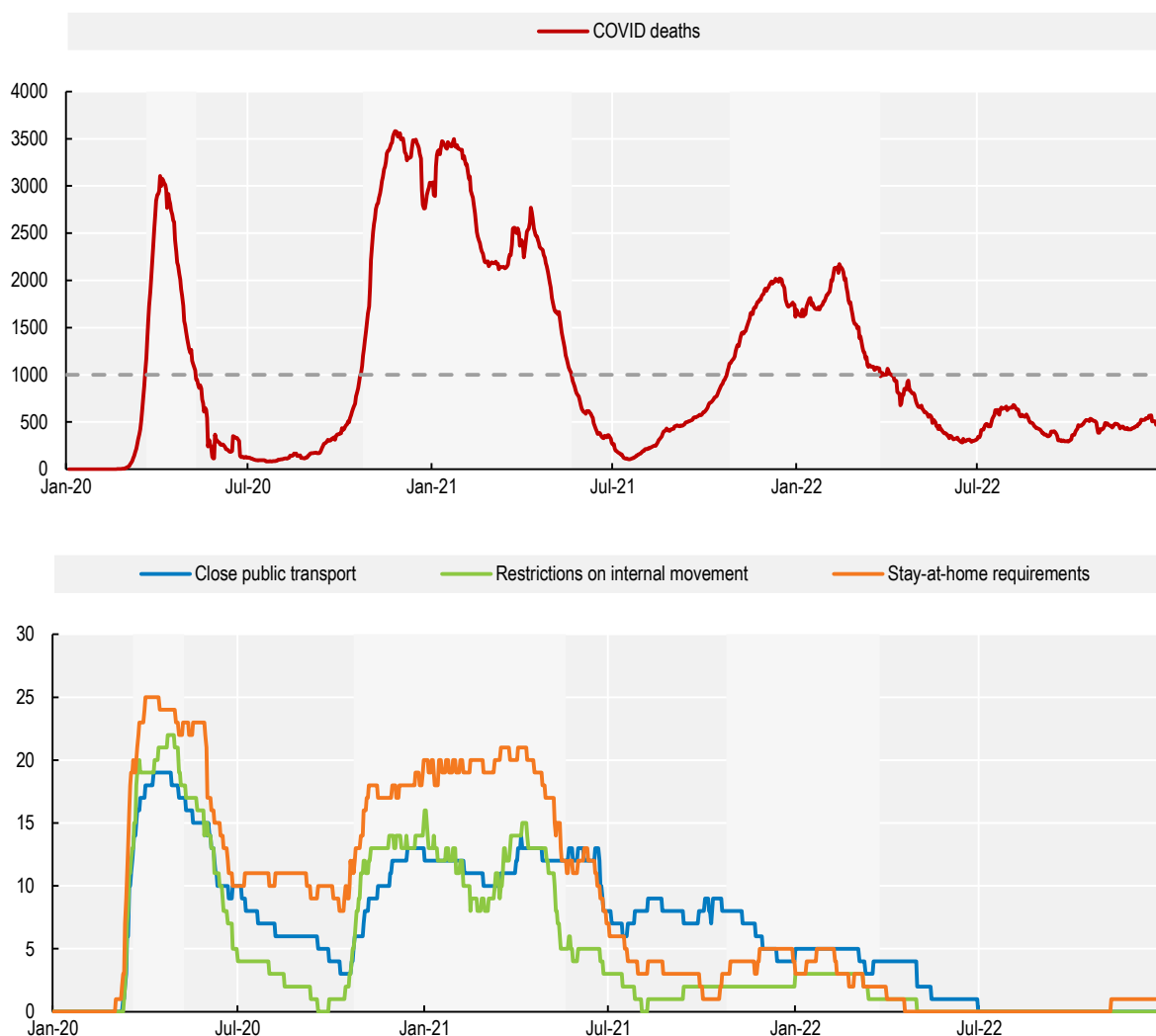
The COVID-19 pandemic, a global health crisis triggered by the novel coronavirus SARS-CoV-2, was a defining event of the early 21st century. First detected in Wuhan, in The People's Republic of China (hereafter "China"), in December 2019, the virus rapidly spread across the globe despite concerted efforts to contain it. Characterised by a range of symptoms from mild or asymptomatic to severe and fatal, COVID-19 posed a unique challenge due to its airborne transmission. By 10 December 2023, the pandemic had resulted in nearly 7 million confirmed deaths, underlining its devastating impact.¹ The World Health Organization (WHO) acknowledged the severity of the situation by declaring it a Public Health Emergency of International Concern on 30 January 2020, a status that remained in effect until 5 May 2023.

The response to the pandemic was multifaceted, involving both medical and societal interventions. On the medical front, treatments primarily included the use of novel antiviral drugs alongside traditional methods of symptom control. Simultaneously, an unprecedented global research effort focused on developing effective vaccines. By December 2020, several vaccines had been developed and were being deployed worldwide, marking a significant milestone in the fight against the pandemic. These vaccines played a critical role in controlling the spread of the virus and reducing the severity of the disease.

Governments worldwide implemented a range of measures to mitigate the impact of the pandemic. These included travel restrictions, lockdowns, and the closure of businesses, all aimed at reducing the spread of the virus. Workplaces adopted hazard controls, and public health policies such as mask mandates, quarantines, and extensive testing and contact tracing systems were put in place. These measures, varied in intensity and duration across different regions, significantly altering daily life and with profound economic and social repercussions. The pandemic not only challenged healthcare systems, but also reshaped global politics, economies, and societies.

In terms of chronology, the number of daily cases of COVID-19-related deaths started to rise rapidly in March 2020, exceeding 1 000 deaths on 20 March (Figure 2.1).

The worsening health crisis forced many governments to impose restrictions, limiting citizens' exposure to the COVID-19 virus. For example, in the European Union by mid-March 2020 the majority of governments had imposed stay-at-home requirements and restrictions on public transport. In more than ten countries, restrictions on internal movements entered into force. The first wave of COVID-19 was relatively short and on 10 May the number of deaths in the European Union fell below 1 000. It stayed far below that level for over five months, until October. As shown in the second panel of Figure 2.1, during this period many of the restrictions were progressively relaxed in the EU Member States. However, in October 2020, the moving average number of COVID-19 related deaths started to rise again, exceeding 1 000 daily cases on 22 October 2020. It did not fall below 1 000 deaths until 20 May 2021. The second wave of COVID-19 deaths was much longer and more severe than the first wave. At its worst, end of November 2020/beginning of December 2021, the moving average number of COVID-19 related deaths exceeded 3 500. During the second wave, some government restrictions were reintroduced in EU Member States. The third wave of COVID-19 in the European Union started in autumn 2021 and lasted until the beginning of April 2022. This time, however, the number of countries introducing severe COVID-19 related restrictions was much lower and the consequences for the socio-economic situation in EU countries were not as severe as in the case of the first two waves.

Figure 2.1. Evolution of COVID-related deaths and restrictions by EU governments

Note: Upper panel presents rolling 7-day average number of deaths associated with COVID-19, aggregated for EU27. Dashed line was set at value of 1 000 deaths per day and the grey area indicates periods when number of COVID-19 related deaths equalled or exceeded 1 000.

Lower panel presents number of EU countries imposing COVID-related restrictions.

Source: University of Oxford COVID-19 government response tracker, <https://www.bsg.ox.ac.uk/research/COVID-19-government-response-tracker>

2.2. Volume of international trade during the pandemic in the European Union

In general, the COVID-19 crisis triggered important changes in the volume and structure of international trade, including import patterns in the EU27. Both this health crisis and changes in international trade patterns posed challenges to custom officers and impacted their ability to fight intellectual property rights (IPR) infringements.

2.2.1. General impacts

As shown in Figure 2.2, COVID-19 had impacts on EU27 imports starting from February 2020; the effects on major trading partners, however, varied (Figure 2.3). The overall value of imports into the EU27 stayed at a relatively low level, as compared to the pre-COVID-19 period, between the first and second COVID-

19 waves; however, it started to rise during the second wave. The value of imports took off after the removal of restrictions and peaked in September 2022.

Factors driving the changes in world trade during the pandemic included:

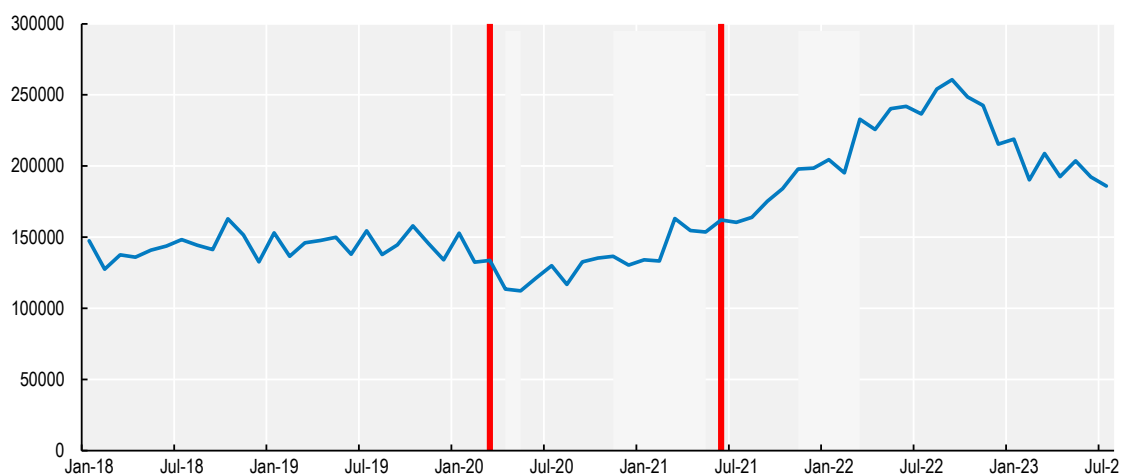
- *Supply chain disruptions*: Lockdowns and social distancing measures disrupted global supply chains. Many factories had to close temporarily, causing delays in production and shipments of goods.
- *Falling demand*: Reduced economic activity in many regions led to lower demand for goods and services, impacting trade. Sectors heavily affected by containment measures, such as tourism and aeronautics, were particularly hard hit (Arriola, C., P. Kowalski and F. van Tongeren, 2022^[1]).
- *Shift to local production*: Many companies sought to reduce their dependence on international supply chains by relocating part of their production to local facilities. This led to an increase in domestic production in certain sectors.
- *Protectionist measures*: Some countries imposed protectionist measures, such as higher tariffs and export restrictions, to protect their supply of essential goods.
- *Disrupted shipping*: Pandemic-related restrictions led to disruptions in shipping, with delays and cancellations of voyages, affecting transport costs and delivery times.

These factors contributed to the slowdown in world trade. However, from the second wave of the pandemic onwards, trade began to recover. The adaptation of the various players to this exceptional situation, as well as more specific factors described below, underpinned the recovery.

- *Changes in e-commerce*: E-commerce grew significantly during the pandemic, as an increasing number of consumers turned to online shopping to avoid physical contact in stores (OECD, 2020^[2]).
- *Transition to digital services*: Travel restrictions encouraged a transition to digital services in many sectors, leading to an increase in the exchange of such services (OECD, 2020^[2]; OECD, 2020^[3]).
- *Accelerated digitization of customs formalities*: To facilitate trade during the pandemic, many countries accelerated the digitization of their customs procedures to reduce delays and limit physical contact (OECD, 2020^[2]).

Figure 2.2. Value of overall external imports into the European Union

January 2018 to July 2023

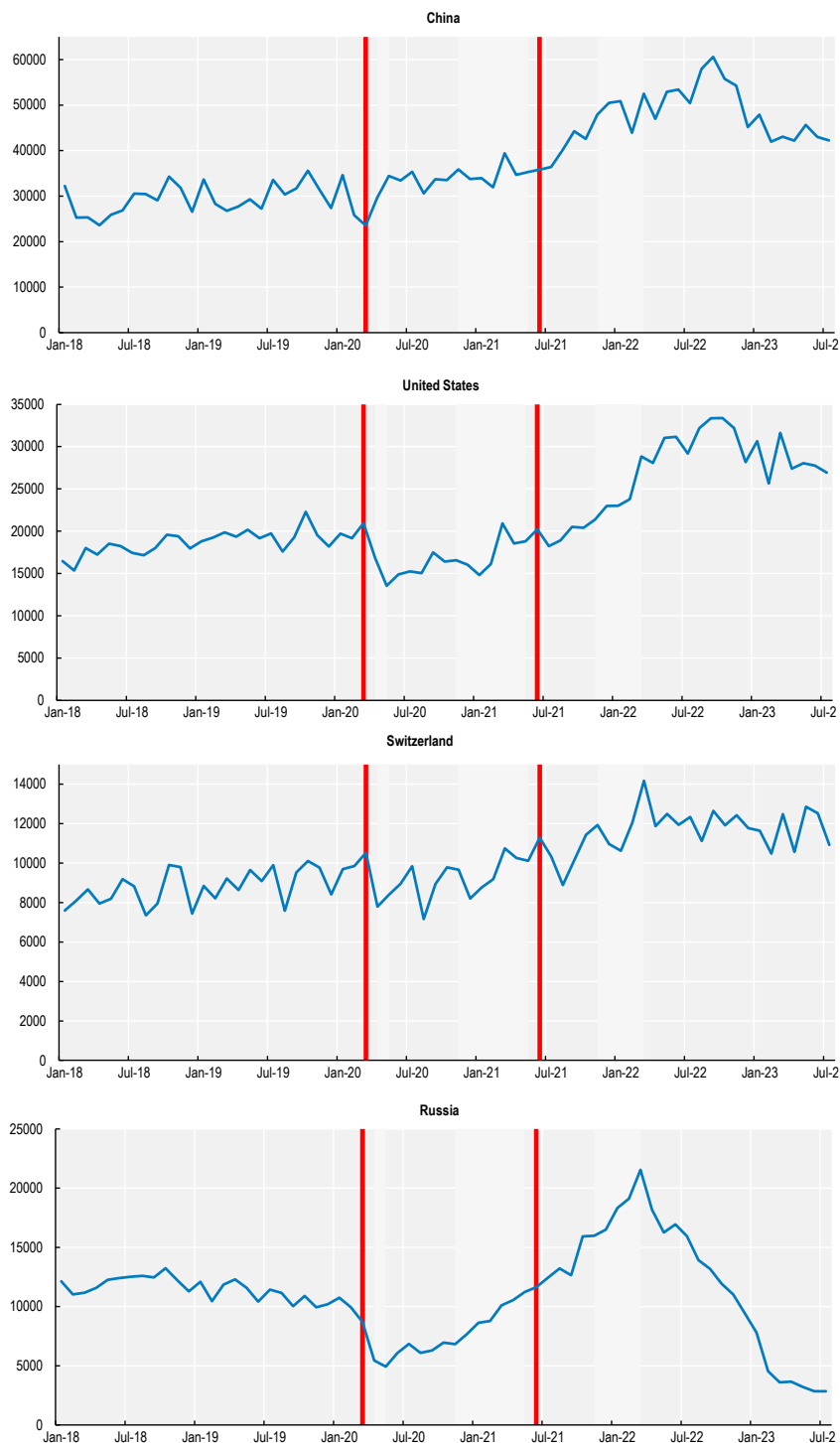


Note: This value does not include external EU imports into the United Kingdom before Brexit nor the value of imports of the EU27 from the United Kingdom after Brexit.

Source: COMEXT, Eurostat.

Figure 2.3. Evolution of the absolute value of imports from the main trading partners of the European Union

January 2018 and July 2023



Source: COMEXT, Eurostat.

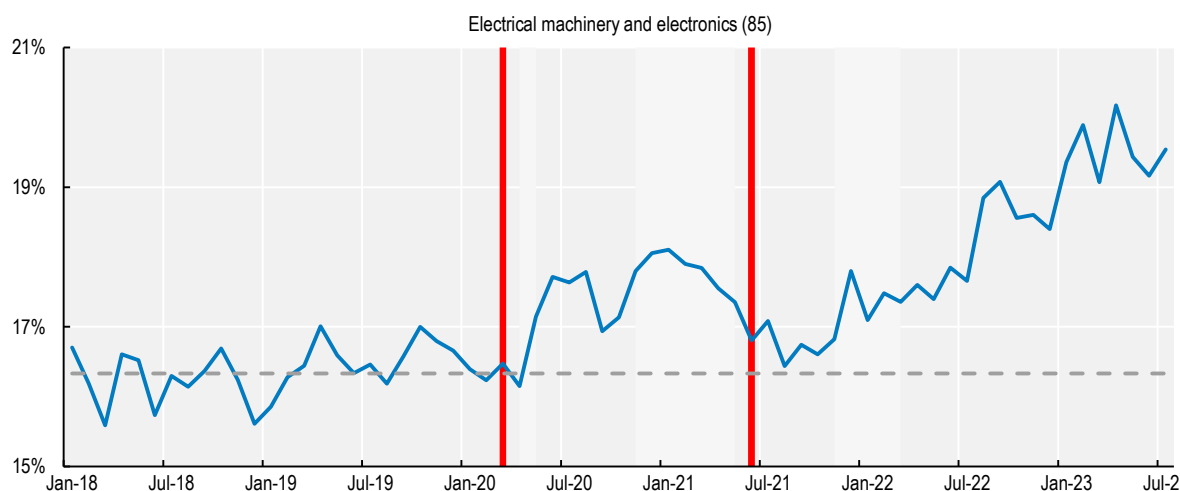
Concerning the patterns of imports by the European Union from its main trading partners, after a brief decline, at the beginning of 2020 EU imports from China reached the pre-COVID-19 value in May 2020 and exceeded this level in the middle of the second COVID-19 wave. As imports from other major partners of the EU27, including the United States and the Russian Federation (hereafter “Russia”), declined during this period, China strengthened its position as a major exporter to the EU27 (Arriola, C., P. Kowalski and F. van Tongeren, 2021^[4]; OECD, 2022^[5]). Its share in total EU27 external imports exceeded 30% in May 2020. Among the economies found in past reports in this series on illicit trade to be the provenances of counterfeit products, the share of Singapore and Hong Kong (China) in total EU27 imports rapidly rose at the beginning of the first COVID-19 wave in the European Union, mainly due to lower volumes from other economies. Imports from those economies started to decrease, however, both in absolute and relative value after the first wave. Conversely, imports from Türkiye rapidly declined during first, but then started to rise in between the two first waves. From the beginning of 2021, amid growing volumes of EU27 imports, there was a general convergence to the long term pre-COVID-19 patterns as regards the shares of the major trade partners in the total imports of the EU27, although this process was somewhat slower for East Asian economies.

2.3. Impacts on the sectoral composition of trade

2.3.1. Most frequently traded products in both licit and illicit spheres

As shown in Figure 2.4 to Figure 2.8, profound changes occurred in the product composition of EU27 external imports during the COVID-19 crisis (Arriola, C., P. Kowalski and F. van Tongeren, 2021^[4]; Arriola, C., P. Kowalski and F. van Tongeren, 2022^[1]; OECD, 2022^[5]). The share of electronic products in total imports rose during the first wave of COVID-19 (Figure 2.4) and although it went down rapidly after the restrictions ceased, it remained over its pre-COVID-19 average during the entire period of the pandemic restrictions and started to rise again ahead of the third wave. In the Spring of 2023, it increased to over 19% of total EU imports (an increase of over 20% in comparison to pre-pandemic level).

Figure 2.4. Evolution of external imports of electrical machinery and electronics into the EU27



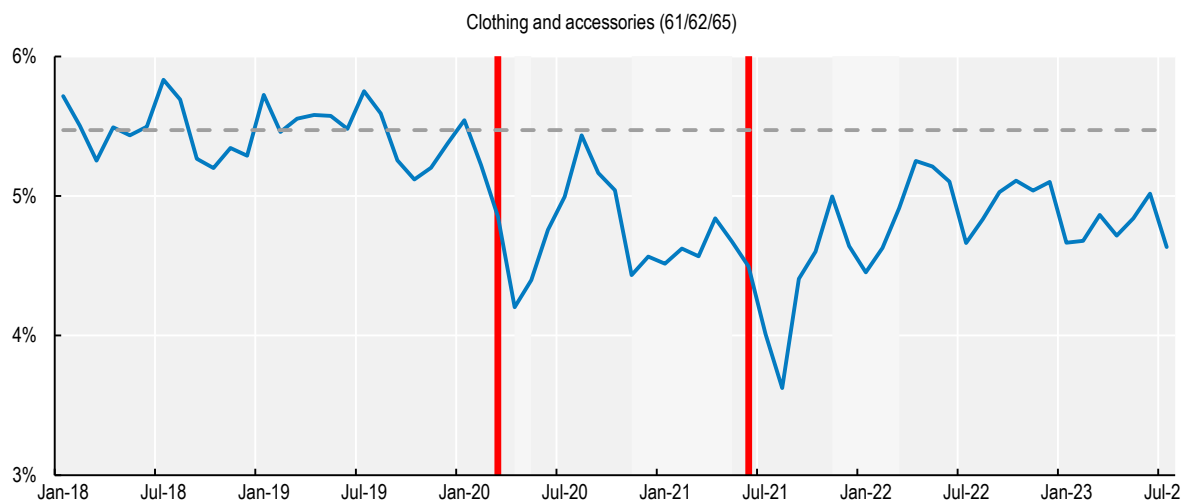
Note: Dashed line reflects the average share in total EU27 imports (excluding imports in HS27 comprising crude oil) for the period Jan 2018-Feb 2020. Figures present seasonally adjusted data. Shares were calculated without taking into account the value of external EU imports into the United Kingdom before Brexit nor the value of EU27 imports from the United Kingdom after Brexit.

Source: COMEXT, Eurostat.

Conversely, imports of clothing and clothing accessories registered a steep decline during the first wave of COVID-19 (Figure 2.5). Imports quickly recovered to pre-pandemic levels in August 2020, but declined again before the second wave. As a result, since end of 2021, the share of clothing and clothing accessories in total EU27 imports has remained at 85-90% of their pre-pandemic level.

A similar pattern can be observed in the case of leather goods, including handbags. Its import level quickly declined to 70% of its pre-pandemic level in March 2020 and remained below 90% during 2021-2023 (Figure 2.6).

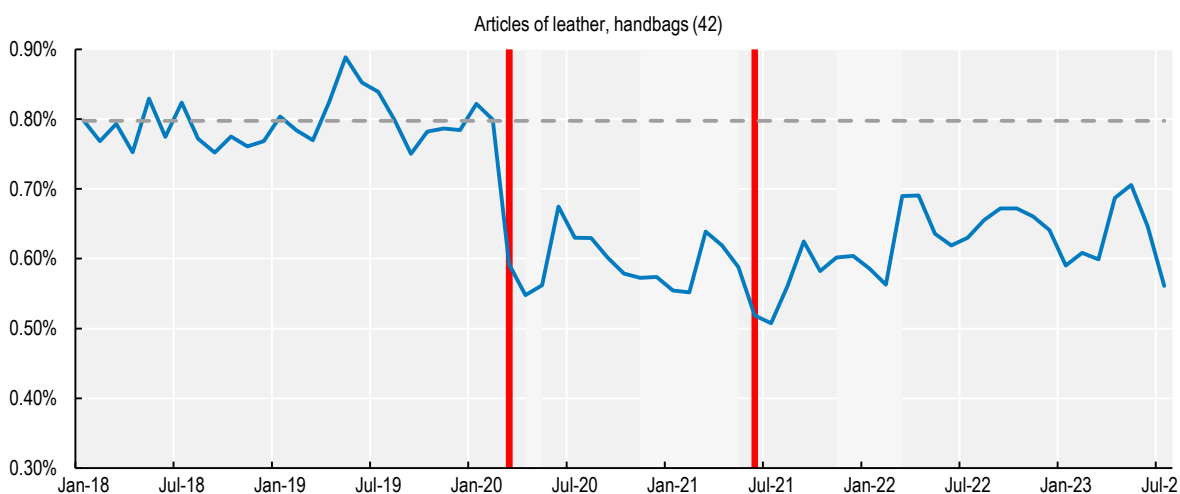
Figure 2.5. Evolution of external imports of clothing and accessories into the EU27



Note: Dashed line reflects share in the total import of the European Union (excluding imports in HS27 comprising crude oil) for the period Jan 2018- Feb 2020. Figures present seasonally adjusted data. This value does not include external EU imports into the United Kingdom before Brexit nor the value of imports of the EU27 from the United Kingdom after Brexit.

Source: COMEXT, Eurostat.

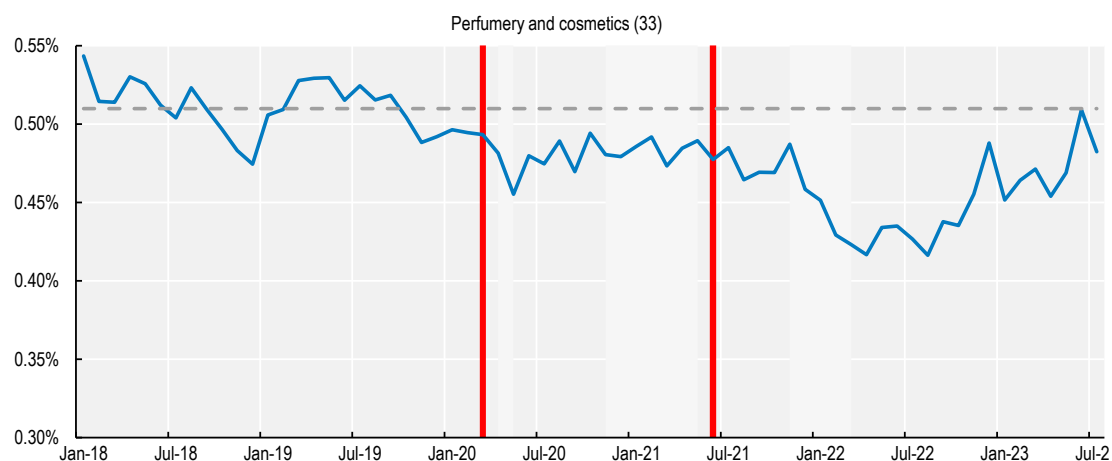
Figure 2.6. Evolution of external imports of leather products into the EU27



Note: Dashed line reflects share in total imports of the European Union (excluding imports in HS27 comprising crude oil) for the period Jan 2018- Feb 2020. Figures present seasonally adjusted data. This value does not include external EU imports into the United Kingdom before Brexit nor the value of imports of the EU27 from the United Kingdom after Brexit.

EU27 external imports of goods grouped under HS heading 33, including perfumery and cosmetics, also registered a decline during the first wave of COVID-19, staying below its pre-pandemic level during the whole period of COVID-related restrictions (Figure 2.7). During the third wave of COVID-19, imports of those goods registered an even bigger decline. However, since August 2022, EU27 imports of goods in HS 33 started to increase, reaching its pre-pandemic share in total EU27 imports in June 2023.

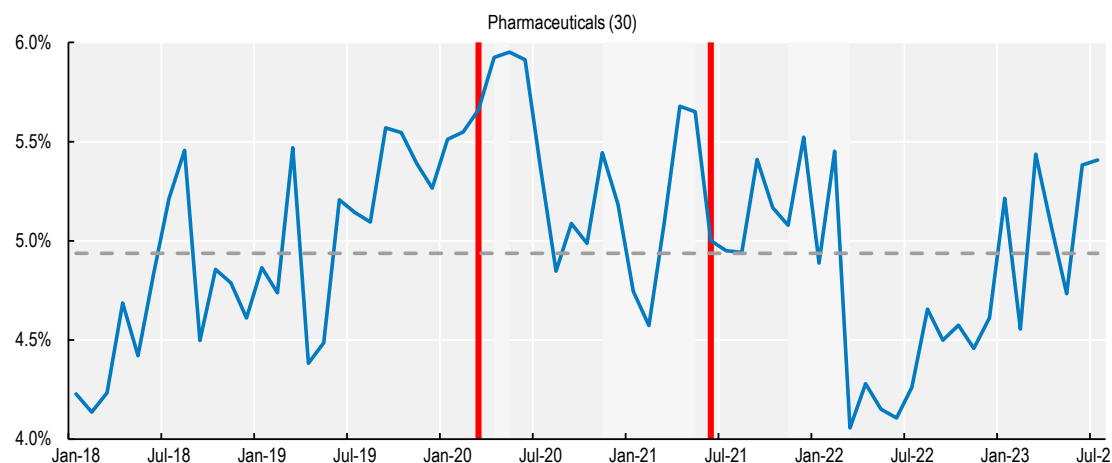
Figure 2.7. Evolution of external imports of perfumery and cosmetics into the EU27



Note: Dashed line reflects share in total imports of the EU27 (excluding imports in HS27 comprising crude oil) for the period Jan 2018- Feb 2020. Figures present seasonally adjusted data. This value does not include external EU imports into the United Kingdom before Brexit nor the value of imports of the EU27 from the United Kingdom after Brexit.
Source: COMEXT, Eurostat.

Finally, EU27 imports of pharmaceutical products (HS30) were highly volatile between January 2018 and July 2023 (Figure 2.8). The share of those goods in total EU27 imports started to rise at the end of 2020, peaking during the first wave of COVID-19. In general, the share remained above pre-pandemic levels during the whole period of COVID-related restrictions, with some declines registered between the first and second waves and in February 2022. After the abolition of COVID-related restrictions, the share of imports of pharmaceutical goods in total imports of the EU27 remained in general at the pre-COVID-19 level, although with a steep decline during most of 2022.

Figure 2.8. Evolution of external imports of pharmaceuticals into the EU27



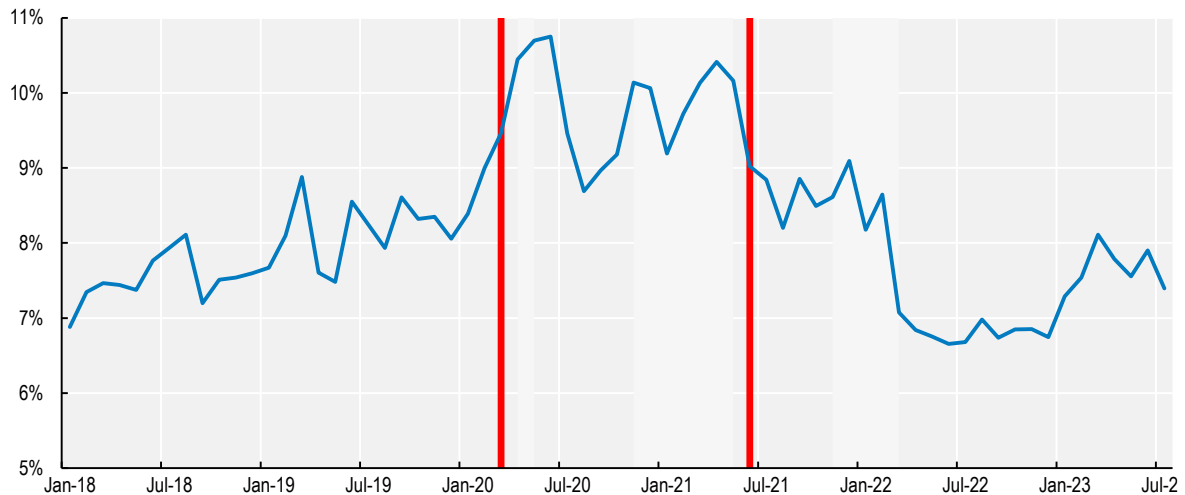
Note: Dashed line reflects the share in total imports of the EU27 (excluding imports in HS27 comprising crude oil) for the period Jan 2018- Feb 2020. Figures present seasonally adjusted data. This value does not include external EU imports into the United Kingdom before Brexit nor the value of imports of the EU27 from the United Kingdom after Brexit.
Source: COMEXT, Eurostat.

2.3.2. COVID-19 related products

Not surprisingly, the global pandemic has also boosted trade in products directly related to mitigating and combatting the crisis (OECD, 2022^[5]). These products include COVID-19 test kits, instruments and apparatus used in diagnostic testing, protective garments, disinfectants and sterilization products, medical devices and equipment, medical consumables, oxygen therapy equipment as well as medical vehicles and furniture.² Consequently, the share of these products, increased in total EU27 imports during the pandemic, starting to rise in the beginning of 2020 when COVID-19 was already affecting East Asian economies (Figure 2.9). At its peak, just at the end of first COVID-19 wave, the value of these imports exceeded 10.5% of the total value of EU27 import (excluding goods in HS chapter 27). It remained at the level of 9% of total imports during the whole period of COVID-related restrictions. The share of COVID-related goods in total EU27 imports stabilised at 8.5% of total imports until the final phase of the third wave of COVID-19 and then it declined to below 7% during the most of 2022.

Figure 2.9. Evolution of shares of COVID-related products in the overall value of EU external imports (excluding imports in HS 27 comprising crude oil)

January 2018 to July 2023



Note: Shares were calculated without taking into account the value of external EU imports into the United Kingdom before Brexit nor the value of EU27 imports from the United Kingdom after Brexit.

Source: COMEXT, Eurostat.

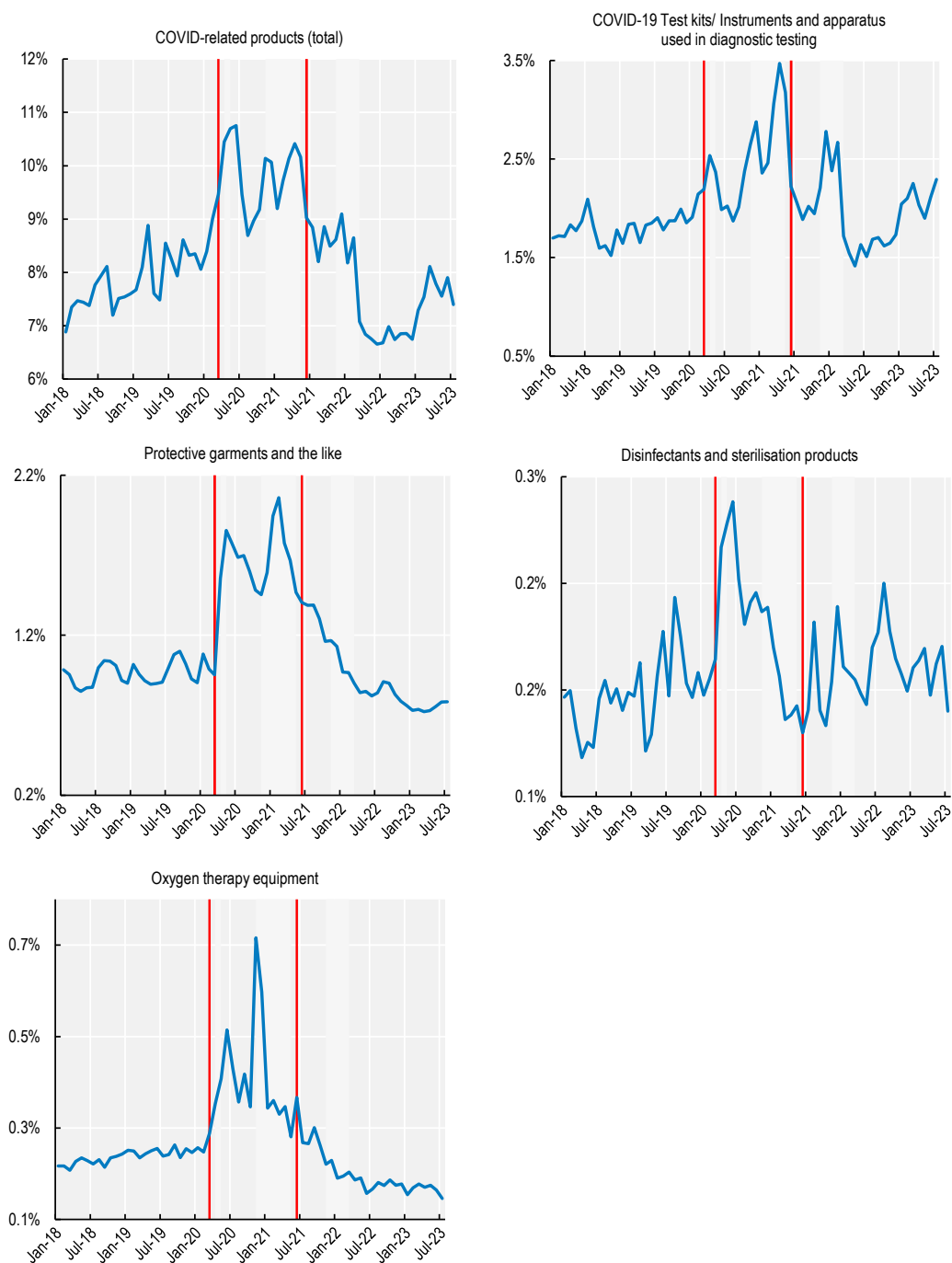
As shown in Figure 2.9 and Figure 2.10, import patterns of various types of COVID-19 related products differed somewhat from the general pattern. It reflected changing patterns of demand during different phases of the pandemic, but also the availability of products in world markets as the possibility to import certain products was also affected by COVID-19 in partner countries.

In general, shares of disinfectants and sterilisation products and medical consumables rose rapidly at the beginning of COVID-19, but then gradually declined, falling to its pre-pandemic level in July 2020 in the case of medical consumables, and at the end of COVID-related restrictions in the case of disinfectants and sterilisation products.

The ratio of protective garments in overall EU27 imports rose rapidly during the first COVID-19 wave and stayed well above the pre-pandemic level at the beginning of 2021 during the second COVID wave. It then gradually declined until the beginning of 2022, when it fell to its pre-pandemic level.

Figure 2.10. Evolution of shares of COVID-related products in the overall value of EU external imports (excluding imports in HS 27 comprising crude oil)

January 2018 to July 2023



Note: The first panel presents the shares of total COVID-related products; the following panels present the value of products in categories A to D. Shares were calculated without taking into account the value of extra EU imports to the United Kingdom before Brexit nor the value of imports of EU27 from the United Kingdom after Brexit. Category A: COVID-19 test kits/Instruments and apparatus in diagnostic testing; Category B: protective garments and the like; Category C: disinfectants and sterilisation products; Category D: oxygen therapy equipment. For more details on products under categories A to D, see Annex 3.B.

Source: COMEXT, Eurostat.

The share of oxygen therapy equipment saw its peaks just after the first COVID-19 wave and at the beginning of second wave, but returned to pre-pandemic level in the second half of 2021.

The ratio of import of test and diagnostic testing kits in total EU27 imports registered spikes during successive COVID-19 waves, more than doubling its pre-COVID-19 level during the second wave.

Figure 2.11. Evolution of shares of Covid-related products in the overall value of EU external imports (excluding imports in HS 27 comprising crude oil), categories E to G

January 2018 to July 2023



Notes: First panel presents shares of total Covid related products, other panels value of products in categories E to G.

Shares were calculated without taking into account value of extra EU import to the United Kingdom before Brexit nor the value of imports by EU27 from the United Kingdom after Brexit. Category E: medical consumables; Category F: medical devices and equipment; Category G: medical vehicles and furniture. For more details on products under categories E to G, see Annex 3.B.

Source: COMEXT, Eurostat.

An analysis of the origin of these additional imports shows that for some products registering big spikes in import demand, the additional trade was from economies that played a limited role in EU27 imports of those products before the pandemic. This was the case of imports of test kits (Figure 2.A.4 in Annex 2.A) and oxygen therapy equipment (Figure 2.A.7 in Annex 2.A) where China became the biggest source of imports for EU27 countries during the surge in demand during the second wave of COVID-19. A similar

situation occurred in the case of imports of protective garments. Increased demand was partially covered by imports from Malaysia and Türkiye, countries that did not play an important role in imports of those goods before and after the pandemic. COVID-19 related products are examples of sensitive goods that require additional certification procedures, so such sudden changes in import patterns may have created additional challenges to custom officers when clearing those shipments.

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- OECD (2020), *Connecting businesses and consumers during COVID-19: Trade in parcels*, https://read.oecd-ilibrary.org/view/?ref=135_135520-5u04ajecfy&title=Connecting-Businesses-and-Consumers-During-COVID-19-Trade-in-Parcels. [3]
- OECD (2020), *Getting goods across borders in times of COVID-19*, OECD Policy Responses to Coronavirus (COVID-19). [2]

Notes

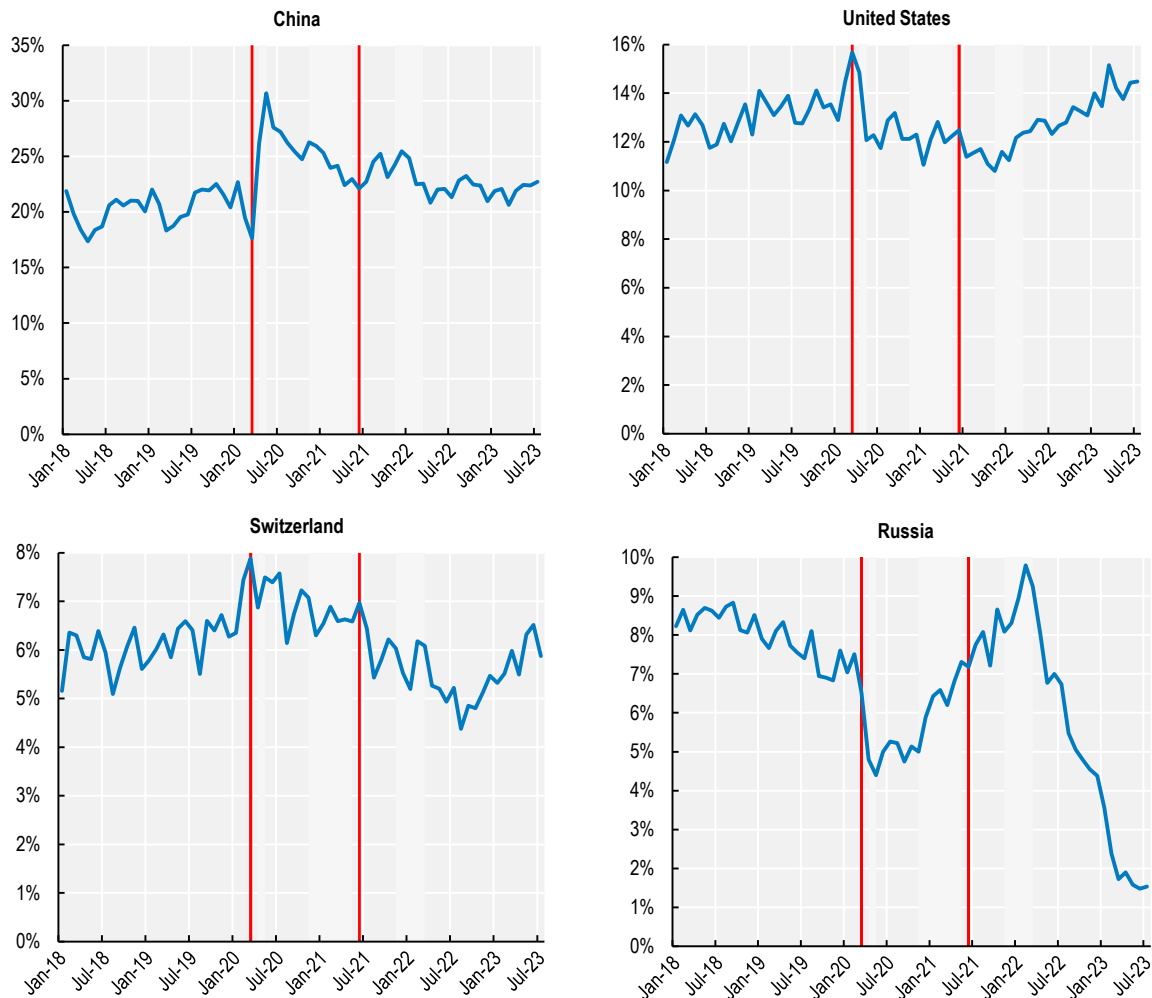
¹ Source: [WHO Coronavirus \(COVID-19\) Dashboard | WHO Coronavirus \(COVID-19\) Dashboard With Vaccination Data](#) (Accessed on 12 December 2023).

² See Annex 3.A for a detailed description of these products.

Annex 2.A. Additional figures

Annex Figure 2.A.1. Evolution of shares of main trading partners of the European Union in the overall value of EU external imports

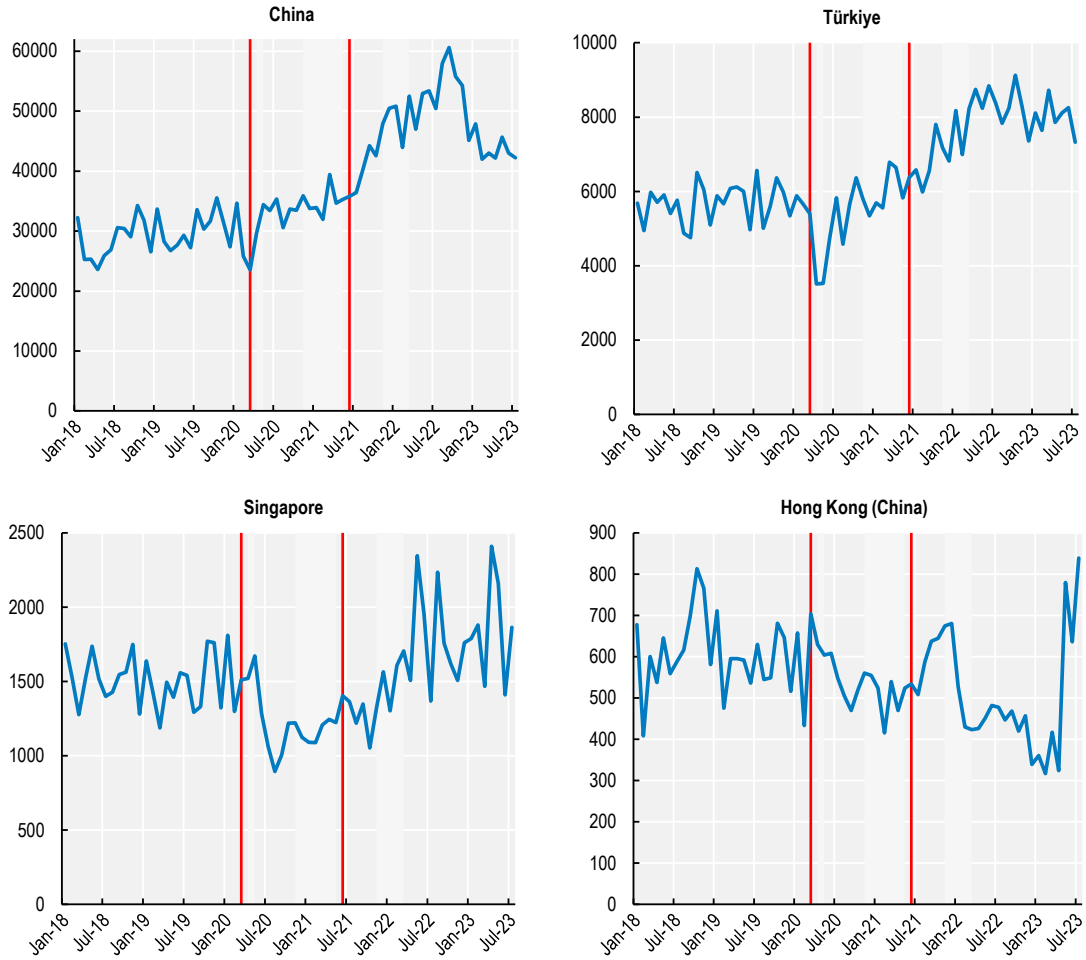
January 2018 to July 2023



Note: Shares were calculated without taking into account value of extra EU import to United Kingdom before Brexit nor value of import of EU27 from United Kingdom after Brexit.
 Source: COMEXT, Eurostat.

Annex Figure 2.A.2. Evolution of absolute value of licit imports from economies found to be the main provenance of counterfeit goods

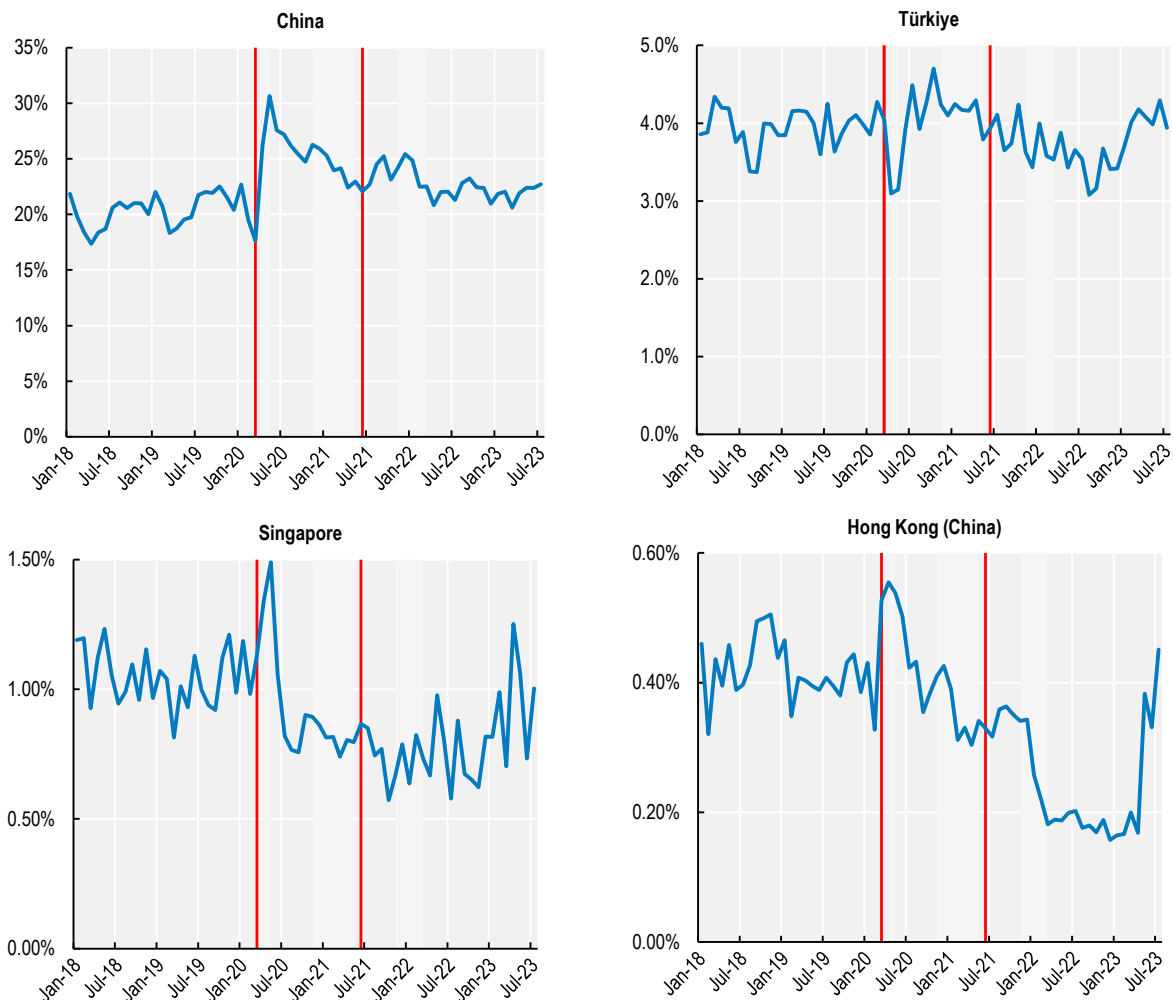
January 2018 to July 2023



Note: This value does not include external EU imports into the United Kingdom before Brexit nor the value of imports of the EU27 from the United Kingdom after Brexit
 Source: COMEXT, Eurostat.

Annex Figure 2.A.3. Evolution of shares of licit imports in the overall value of EU external imports from economies found to be the main provenance of counterfeit goods

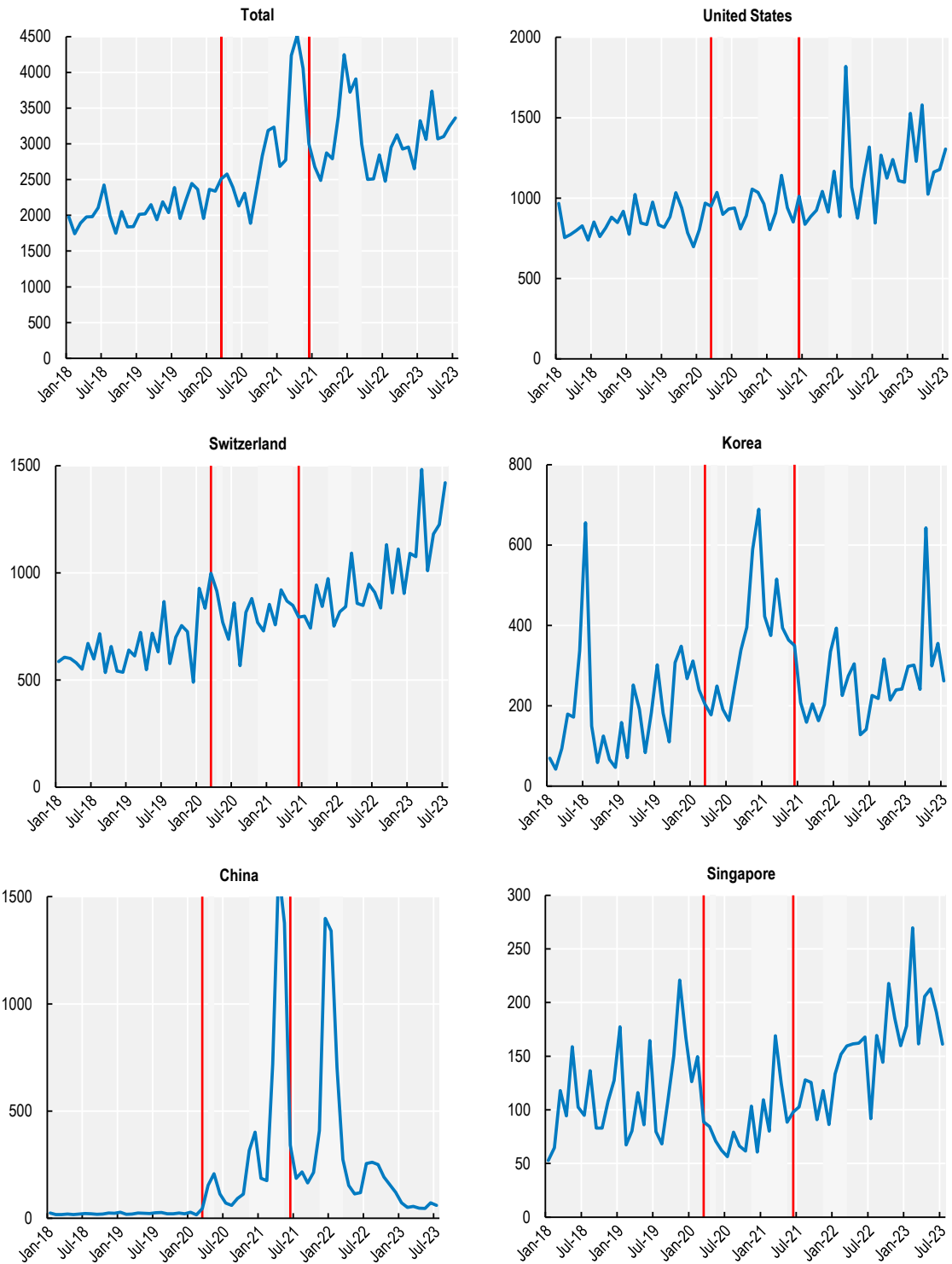
January 2018 to July 2023



Note: Shares were calculated without taking into account the value of extra EU import to United Kingdom before Brexit nor the value of imports by EU27 from the United Kingdom after Brexit.
 Source: COMEXT, Eurostat.

Annex Figure 2.A.4. Evolution of absolute value of EU27 imports of COVID-19 test kits and instruments and apparatus used in diagnostic testing

January 2018 to July 2023, by main exporters to the EU27

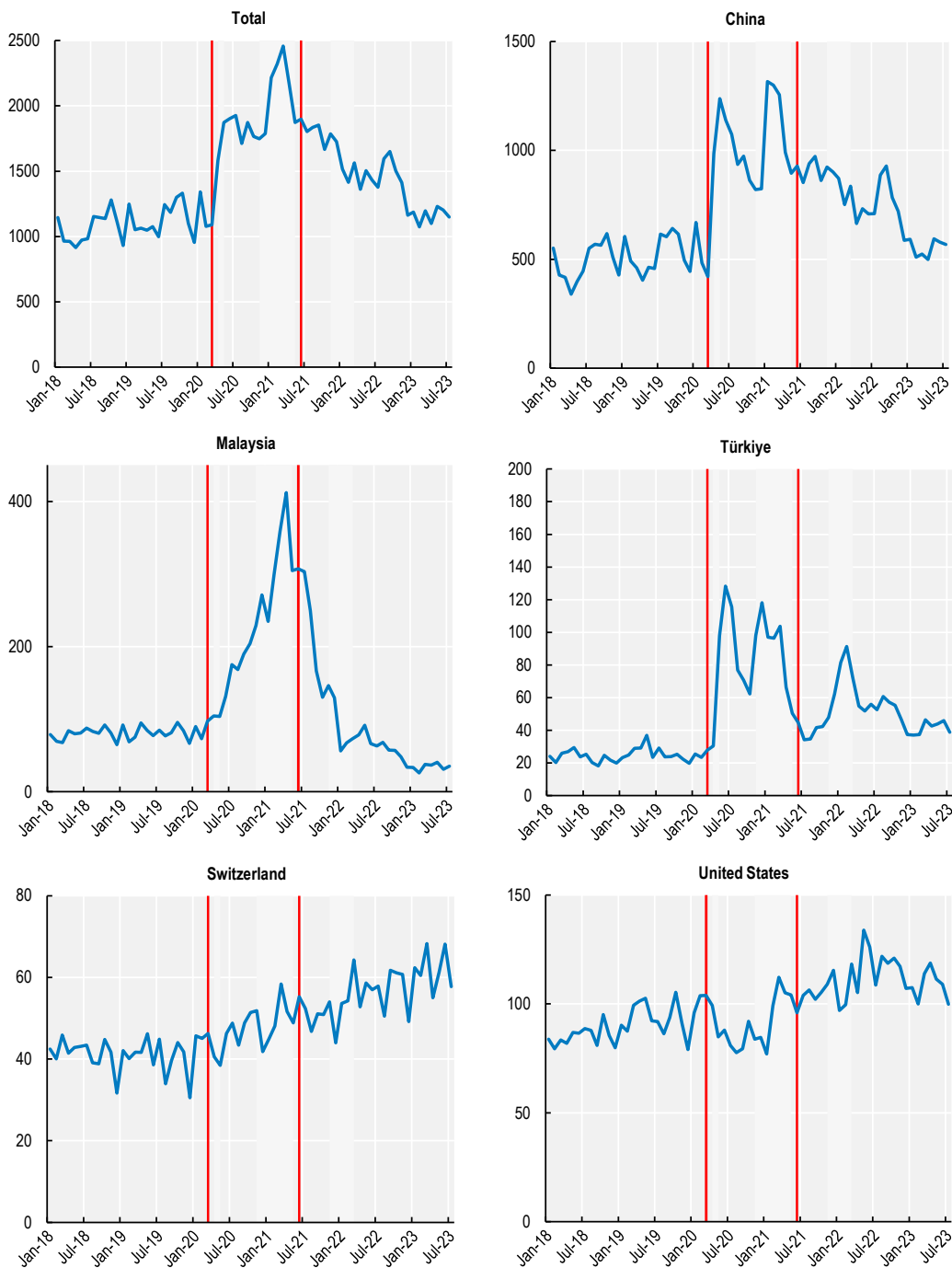


Note: This value does not include external EU imports into the United Kingdom before Brexit nor the value of imports of the EU27 from the United Kingdom after Brexit.

Source: COMEXT, Eurostat.

Annex Figure 2.A.5. Evolution of absolute value of EU27 import of protective garments and the like, by provenance economies

January 2018 to July 2023

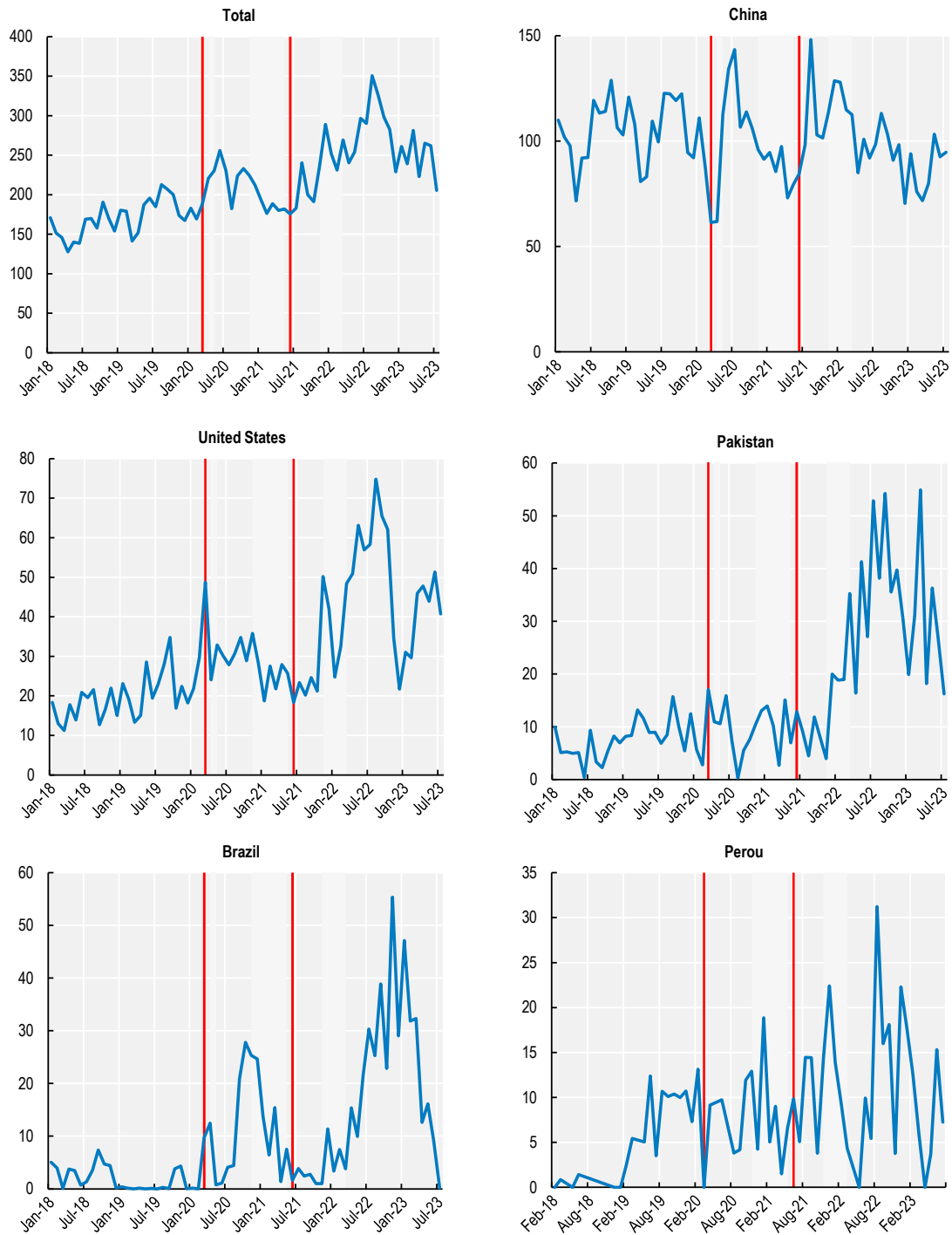


Note: This value does not include external EU imports into the United Kingdom before Brexit nor the value of imports of the EU27 from the United Kingdom after Brexit.

Source: COMEXT, Eurostat.

Annex Figure 2.A.6. Evolution of absolute value of EU27 import of disinfectants and sterilisation products, by provenance economies

January 2018 to July 2023

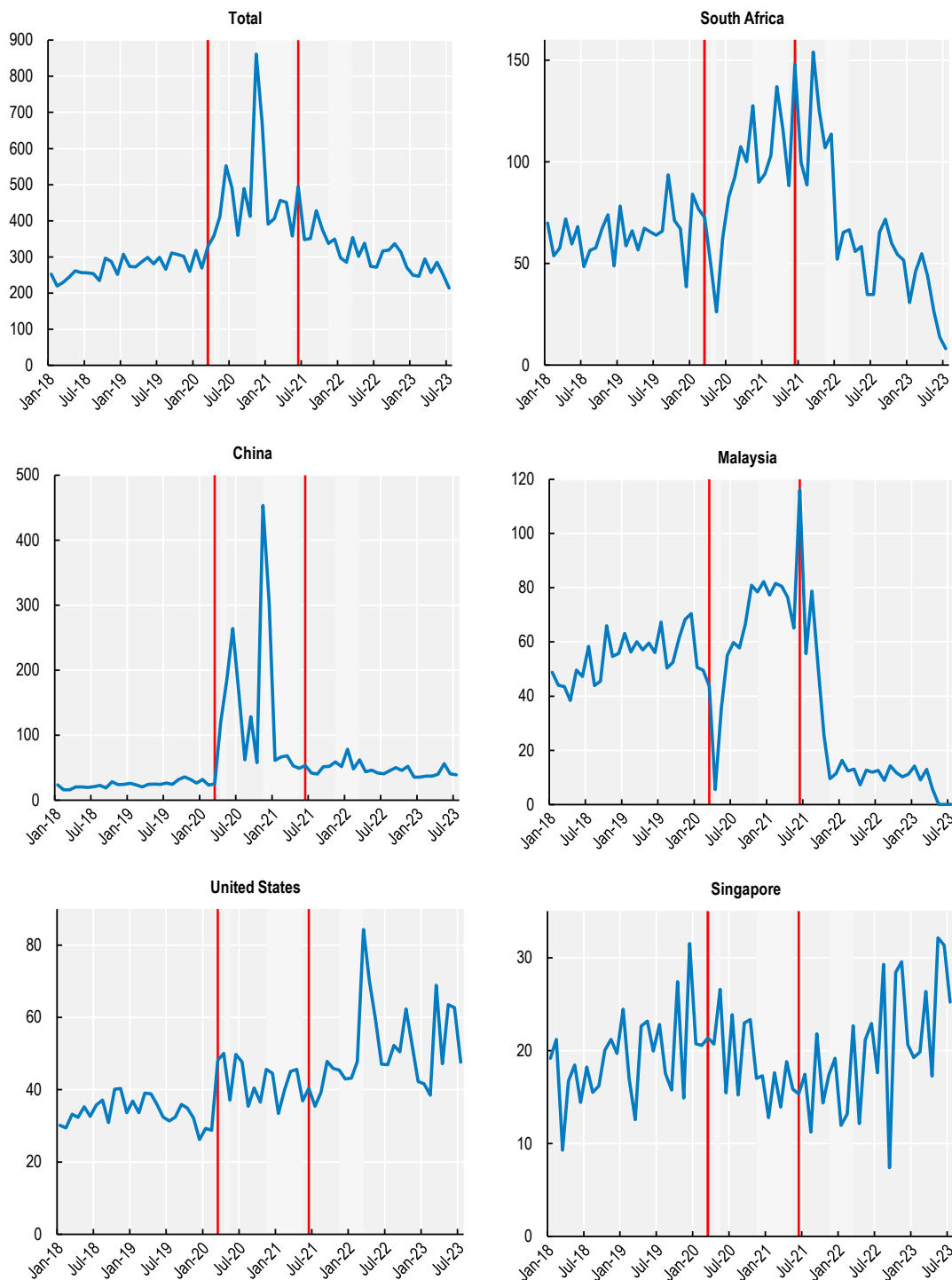


Note: This value does not include external EU imports into the United Kingdom before Brexit nor the value of imports of the EU27 from the United Kingdom after Brexit.

Source: COMEXT, Eurostat.

Annex Figure 2.A.7. Evolution of absolute value of EU27 import of oxygen therapy equipment, by provenance economies

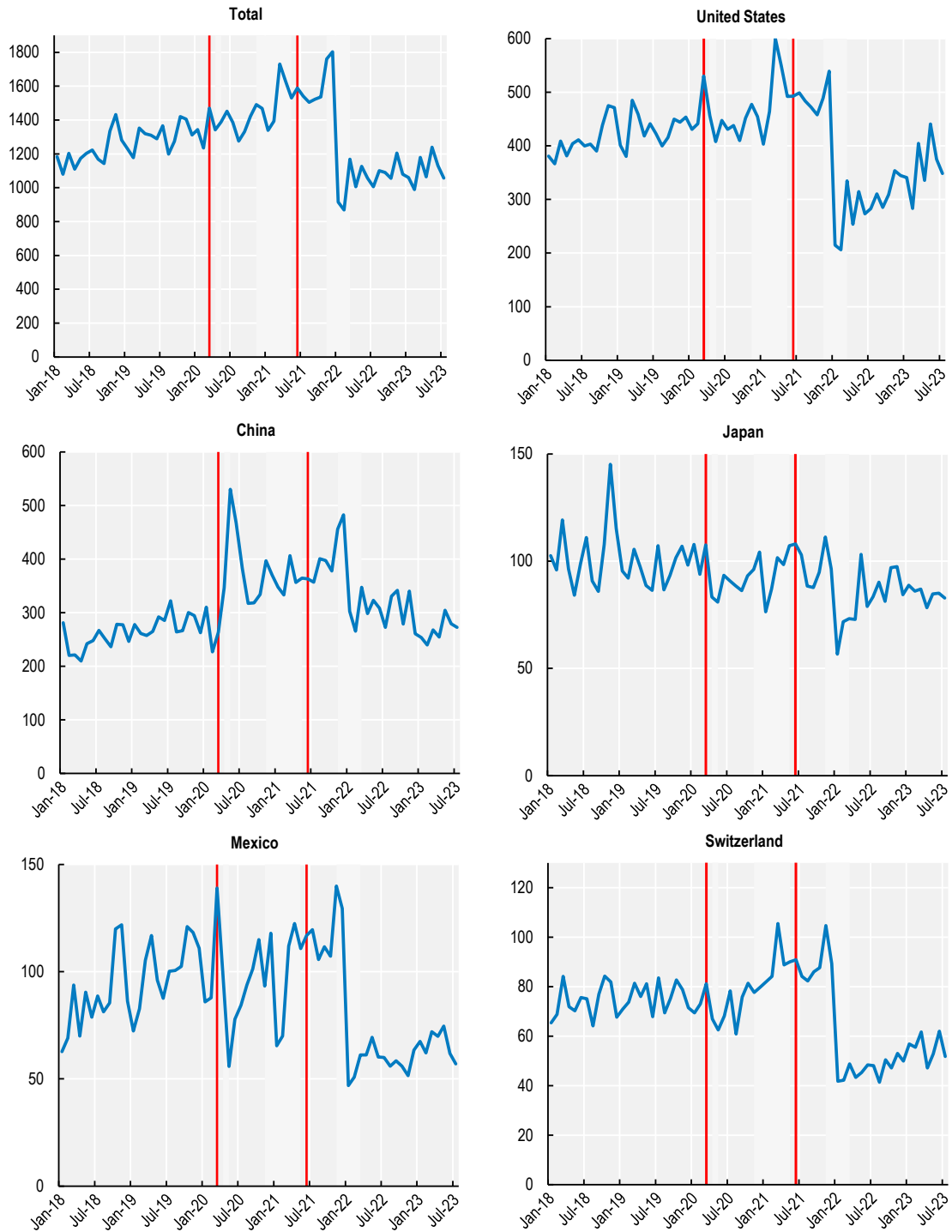
January 2018 to July 2023



Note: This value does not include external EU imports into the United Kingdom before Brexit nor the value of imports of the EU27 from the United Kingdom after Brexit.
 Source: COMEXT, Eurostat.

Annex Figure 2.A.8. Evolution of absolute value of EU27 import of medical devices and equipment, by provenance economies

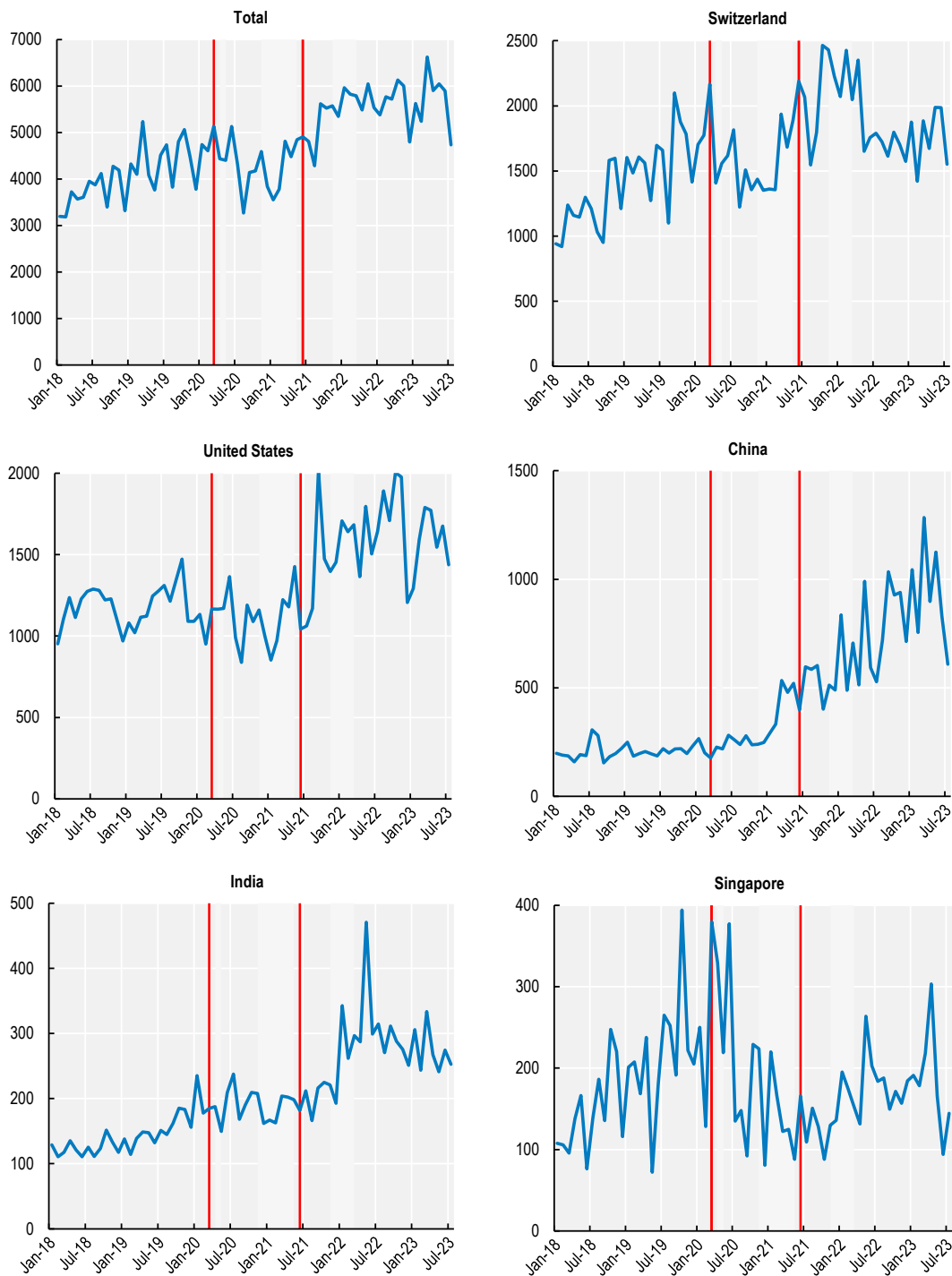
January 2018 to July 2023



Note: This value does not include external EU imports into the United Kingdom before Brexit nor the value of imports of the EU27 from the United Kingdom after Brexit.
 Source: COMEXT, Eurostat.

Annex Figure 2.A.9. Evolution of absolute value of EU27 import of medical consumables, by provenance economies

January 2018 to July 2023

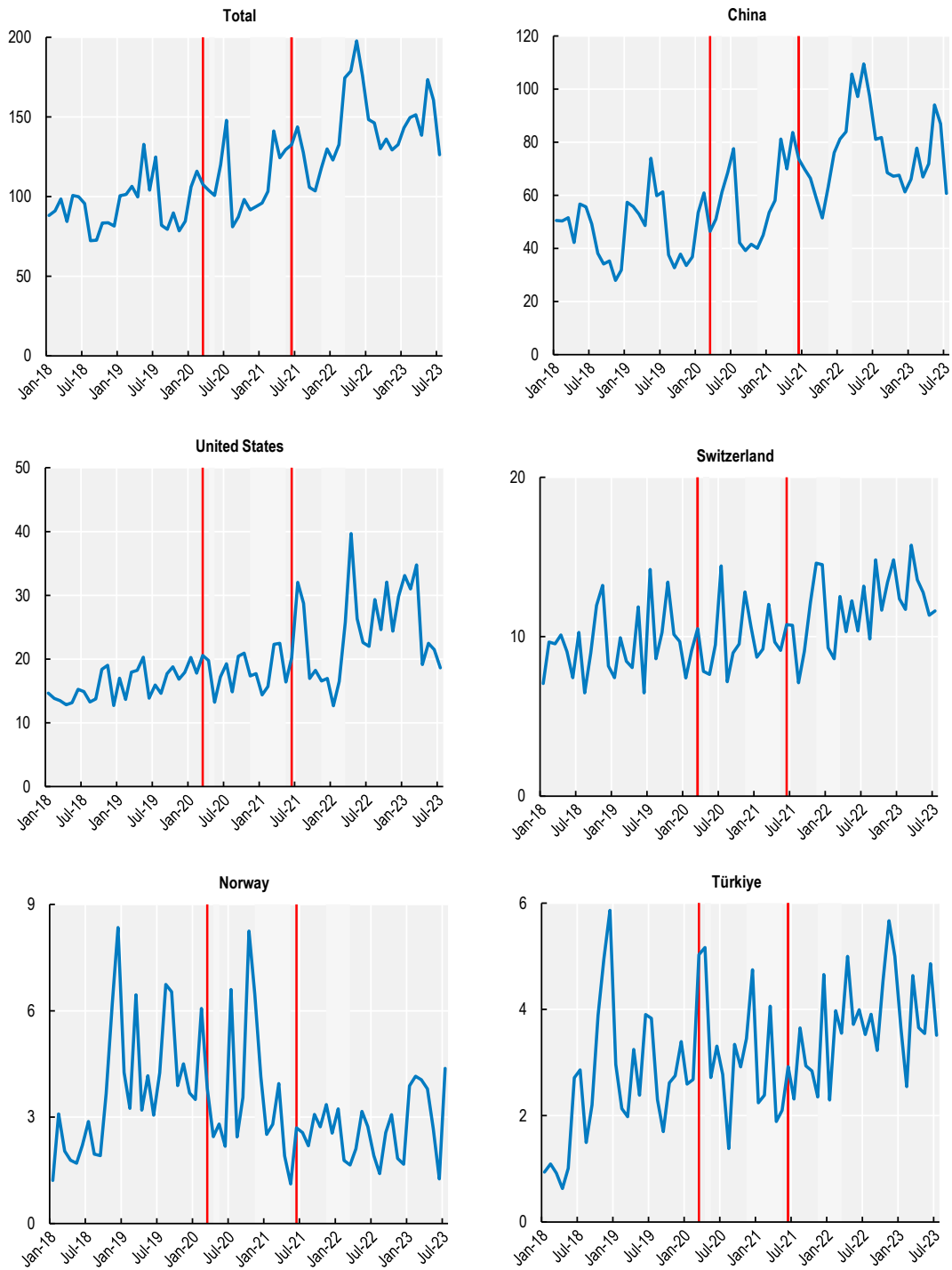


Note: This value does not include external EU imports into the United Kingdom before Brexit nor the value of imports of the EU27 from the United Kingdom after Brexit.

Source: COMEXT, Eurostat.

Annex Figure 2.A.10. Evolution of absolute value of EU27 import of medical vehicles and furniture, by provenance economies

January 2018 to July 2023



Note: This value does not include external EU imports into the United Kingdom before Brexit nor the value of imports of the EU27 from the United Kingdom after Brexit.
 Source: COMEXT, Eurostat.

3

Effects of COVID-19 on illicit trade in fakes: What do we know so far?

The COVID-19 pandemic triggered a profound psychological shift in world trade, altering human behaviour and interactions. The increase in health risks has led to a marked preference for health-related products. In addition, the closures have encouraged a significant shift towards e-commerce. Border closures and trade disruptions have led to fluctuations in trade patterns, including the trade routes used. Law enforcement authorities, faced with adjusting human resources, have had to recalibrate their priorities and operations to adapt to these rapid changes.

This chapter analyses the key impacts of the COVID-19 pandemic on illicit trade in counterfeit goods. The impacts were discussed in structured interviews with enforcement and industry experts,¹ as well as during webinars on illicit trade that took place between March 2020 and March 2021 (OECD, 2020^[1]), (OECD, 2020^[2]) (OECD, 2020^[3]), (OECD, 2021^[4]) and (OECD, 2021^[5]) The findings are complemented with quantitative illustrations drawn from seizures of counterfeit goods listed in the OECD-EUIPO database (see Box 1.1 in the introductory chapter).

3.1. Profound influence of the pandemic

All experts highlighted that the repercussions of the COVID-19 pandemic surpassed the numerical data and nuances of trade. Notably, it introduced a deep psychological shift in global trading, influencing both human behaviour and their interactions. As the health risks became more prominent, there was a marked preference amongst individuals for authentic health-related products, highlighting concerns over the safety and efficacy of such products. In some countries, this led to a notable reduction in counterfeiting, particularly in the areas of personal and casual trade.

In response to the economic challenges, countries launched new legislative and regulatory measures. However, these measures often led to confusion among citizens, institutions, and industries due to their evolving nature. In the initial phases of the pandemic, addressing counterfeit goods took a backseat, a reflection of the broader societal adaptation to new norms like lockdowns and remote work. Concurrently, many industries experienced disruptions, with some even halting their operations.

Experts noted that the pandemic's effects weren't limited to trade. A significant shift was observed in consumer behaviour. As consumers were spending more time at home, there was a temporary uptick in unauthorised access to digital content and an increased demand for home-centric products. These changes also indicated the kind of products people preferred, and predictably counterfeiters adjusted their strategies to fit the changing preferences.

Furthermore, the pandemic ushered in changes to societal norms. A concerning outcome of this was the rise in crime rates, with small criminal groups targeting individuals possessing branded goods. Additionally, the ease of online shopping led to a decline in brand loyalty among consumers. This behaviour not only posed challenges to genuine businesses, but also offered counterfeiters an avenue to exploit. The diminishing distinction between brand loyalties hinted at a thinning line between legal and illegal trade practices.

Interviewed parties noted that the severity of the crisis cultivated a heightened sense of community and patriotism. Citizens became more vigilant and protective, especially towards the vulnerable sections of society. The gravity of the situation fostered a collective mindset that counterfeiting was not merely a commercial concern but had life-altering implications.

Lastly, experts pointed that the criminal factions involved in counterfeiting displayed remarkable adaptability. Criminals were quick to exploit the increased product demands during the pandemic, with some even venturing into producing fake COVID-19 test kits. This posed new challenges for customs in identifying genuine products. Moreover, the counterfeiters leveraged the booming e-commerce sector, particularly abusing social media platforms like TikTok and Instagram, to sell their counterfeit goods, making their detection more difficult.

3.2. Broken supply chains: New trade routes

The onset of the COVID-19 global lockdowns significantly hampered the movement of goods across economies, particularly in regions with suspended air traffic. As a result, land transportation costs, especially between ports and the interior of economies, surged, complicating the timely delivery of crucial items such as medications and personal protective equipment.

Interviews revealed that while border closures and trade disruptions led to fluctuations in trade patterns, The People's Republic of China (hereafter "China"), and Hong Kong (China) remained the primary provenance economies for counterfeits (Box 3.1). Lockdowns led to short-term declines in counterfeiting not because of a fundamental shift in trading practices, but due to constrained transportation of counterfeit products.

Box 3.1. What are the provenance economies?

Criminals who engage in the trade of counterfeit and pirated products tend to ship infringing products via complex routes, abusing many intermediary points in order to cover their tracks. This poses a challenge in determining whether a given economy produces counterfeit goods or is a point of transit. This challenge resulted in the coining of the term "provenance economy" that was first used in the OECD-EUIPO report (OECD/EUIPO, 2016^[6]) following the OECD methodology developed in 2008.

The term provenance economy refers to both those economies of origin where the actual production of infringing goods is taking place, as well as those economies that are abused as ports of transit through which infringing goods pass on route to the destination economy.

The pandemic's early impacts were most evident in disrupted global supply chains (OECD, 2022^[7]). For example, Finland, which is favourably positioned geographically as a transit point for cargo traffic between the European Union and China, experienced a sharp decline in air cargo, a prominent medium for trafficking counterfeits, due to suspensions in Chinese airspace.

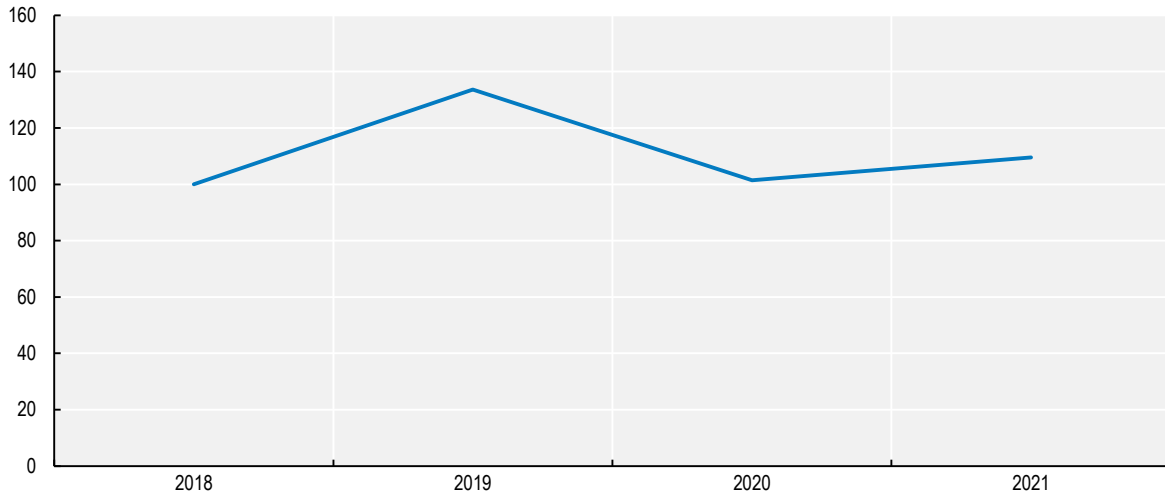
Experts noted that the pandemic did not significantly alter traffickers' favoured supply chains or routes. Established routes retained their efficiency and cost-effectiveness, but customs and enforcement agencies were unable to effectively combat counterfeiting due to continuous challenges related to the pandemic.

The year 2020 marked a lull in counterfeiting cases. The downward trend in the number of seizures of counterfeit goods persisted into the following years in the European Union, raising questions about the causes for this. Experts attributed the significant downturn in 2020 seizures to diminished air traffic, a direct consequence of China's lockdown. When China subsequently reopened, air traffic resumed on a regular basis. However, the financial strains associated with the pandemic led companies to reduce counterfeiting enforcement. It is also important to make the distinction between the number of seizures and their value. Indeed, the downward trend in the number of seizures was not accompanied by a decrease in the seized value.

Customs data from DG TAXUD shows that the number of seizures dropped in 2020 and slightly increased in 2021 (Figure 3.1), while data from the US customs show a strong increase in the number of seizures in 2021 following the decline experienced in 2020 (Figure 3.2).

Figure 3.1. Evolution in the number of seizures made by EU customs from 2018 to 2021

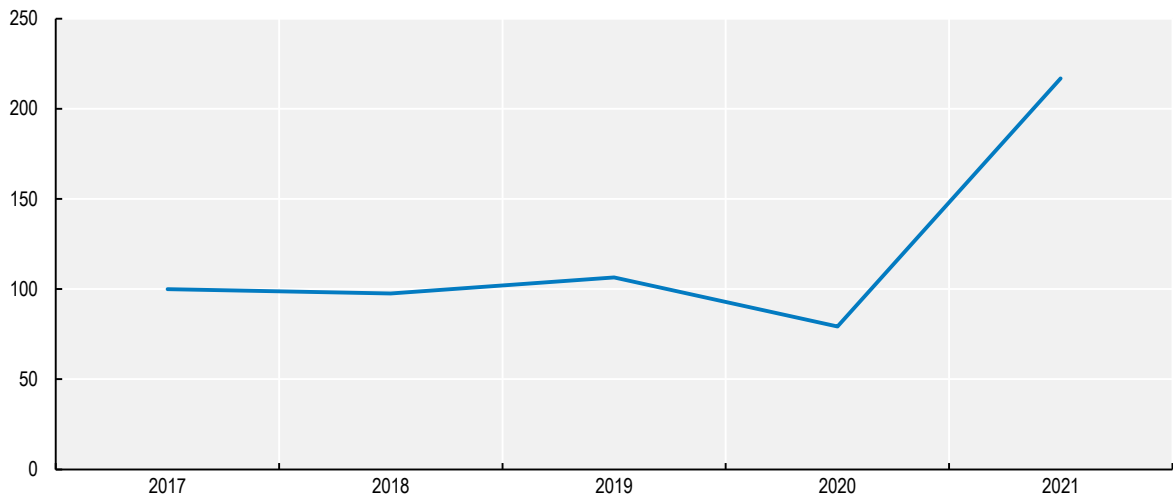
Index, 2018=100



Source: OECD/EUIPO global customs seizures.

Figure 3.2. Evolution in the number of seizures made by US customs authorities from 2017 to 2021

Index, 2017=100



Source: OECD/EUIPO global customs seizures.

Experts noted that in the initial months of the pandemic, there was a decrease in both the volume and range of counterfeit goods intercepted by customs. As global attention shifted to prioritising health, the counterfeit market followed suit, emphasising masks, gloves, and antibacterial apparel. This adaptability underscores the responsive nature of counterfeit markets to changing scenarios.

Lockdowns, with their variable stringency across nations, generated in some cases alterations in counterfeit entry points. While some regions observed decreases in counterfeit consignments due to supply chain interruptions, the established entry points for counterfeit goods remained largely predictable.

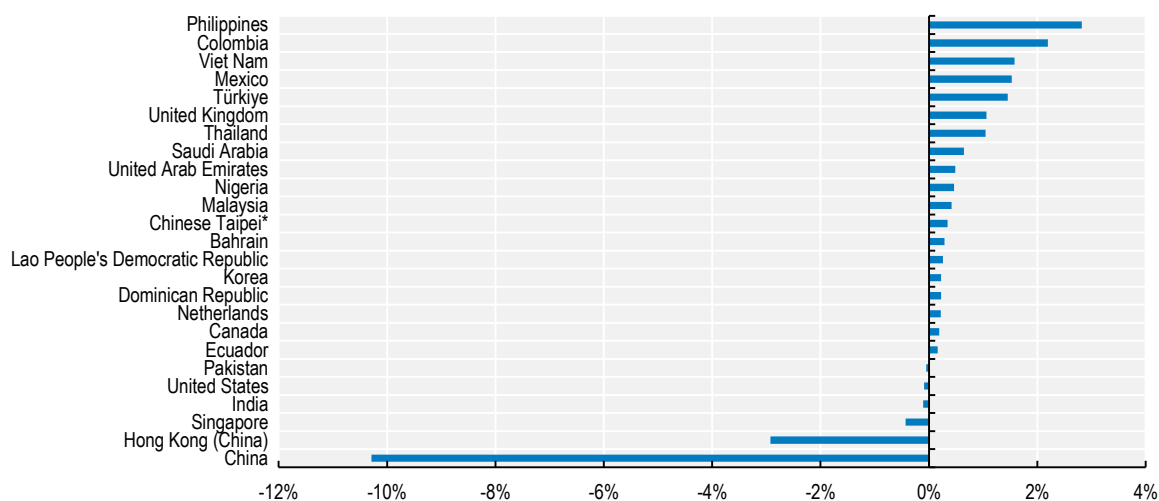
In the industrial sector, conventional counterfeit production hubs such as China underwent disturbances, prompting counterfeiters to expand their operations to, for example, Cambodia, Bangladesh, Peru, Mexico,

and Guatemala. It is evident that criminals consistently adapt their activities and methods, along with modifying their trade routes.

This ability to adapt is reflected in seizures data. An analysis of the trade routes of seized counterfeit products clearly shows the decline of China (-10 percentage points) and Hong Kong (China) (-3 percentage points) during the Covid period (2020-21) compared to the 2017-2019 period. They also show the growing role of certain Asian and South American economies as suppliers of counterfeit goods, such as the Philippines, Viet Nam, Colombia, and Mexico (Figure 3.3).

Figure 3.3. Change in the share (in terms of number of global seizures) of the top 25 provenance economies for counterfeit goods between 2017-19 and 2020-21

Percentage points



Source: OECD-EUIPO global customs seizures.

3.3. Counterfeit products in the age of COVID-19

Criminals seized the opportunity to profit from the pandemic by flooding the market with illicit COVID-19-related products. Enforcement authorities observed a considerable uptick in seizures of counterfeit and subpar medicines, test kits, personal protective equipment (PPE), and other related medical products. For instance, a US Homeland Security Investigation (HSI) cited 668 seizures related to COVID-19, including imitation masks, fake COVID-19 tests, and dubious pharmaceuticals purported to treat the virus. This trend is not limited to the United States; the World Customs Organization documented around 200 seizures of similar COVID-related products in other economies.

Public health and safety were jeopardised by the proliferation of counterfeit health products. Fake masks, which falsely sold as medical grade, became widespread, endangering both medical professionals and the general populace. Likewise, counterfeit test kits and bogus vaccination cards were discovered, underscoring the need for increased vigilance. Counterfeit items included products which violated trademarks, as well as those that were substandard or unlisted.

The types of counterfeit goods in circulation underwent a noticeable transformation during the pandemic. Counterfeit health products, including masks, gloves, and sanitation attire, rose in prominence. Many consumers turned to digital platforms to buy these products due to shortages in traditional outlets. Concurrently, there was a surge in demand for vitamins, notably vitamin C, spurred by the perception of

its immunity-enhancing properties. This change in consumer behaviour offered counterfeiters new avenues to exploit.

As an example, there was an influx of counterfeit health products into Italy, including masks, gloves, and antibacterial gels. Originating from economies such as China, Hong Kong (China), and Indonesia, these items often breached trademarks and were of inferior quality. In some instances, imported medications and vitamins were suspected to be counterfeit, although conclusive evidence was lacking.

Enforcement activities involving COVID-related products revealed that the overwhelming global demand for items such as masks meant that counterfeiters did not always need to rely on fake branding or infringed intellectual property. Many chose to manufacture substandard masks devoid of any branding, thus capitalising on the unprecedented demand.

Box 3.2. OLAF investigation into medical supplies used to protect against COVID-19

The European Union's Anti-Fraud Office OLAF initiated an investigation in March 2020, concentrating on the medical supplies used for COVID-19. The inquiry encompassed a range of fraudulent activities, including counterfeits, scams, and falsified medicines. The investigation found that products seized often did not meet EU standards and were commonly accompanied by counterfeit certificates of authenticity. In 2021, OLAF's investigations led to the identification of suspicious operators and seizures of over 100 million COVID-related products. These included consignments of hand sanitisers containing a high volume of methanol, substandard face masks, and fake testing kits.

The investigation found further that Chinese traditional medicines purported to cure COVID-19 were being trafficked, despite lacking proven efficacy. These questionable products were smuggled into the European Union in significant volumes.

The pandemic also led to restrictions on medical supplies, either imposed by local authorities or resulting from reduced air traffic. With over 60 countries enacting export restrictions, enforcement bodies raised alarms about potential illicit activities in specific markets, such as cancer treatments, which were experiencing local shortages.

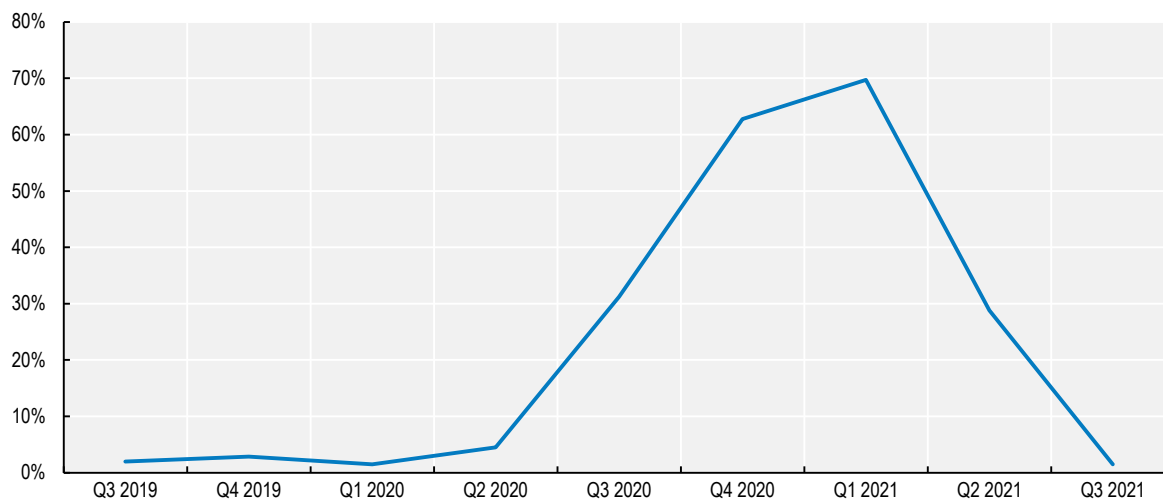
To address this global issue, OLAF collaborated with nearly every custom and enforcement authority in Europe and around the world, in addition to partnering with Europol, Interpol, and the European Union Intellectual Property Office (EUIPO). This collaborative effort resulted in the detection of more than 1 250 suspicious companies operating as intermediaries or traders involved in the production of counterfeit or substandard products related to the COVID-19 pandemic.

To exploit the situation, fraudsters established artificially lengthy chains of intermediary shell companies. Numerous opportunistic businesses sought to enter a lucrative new market without any prior operational history in the field and lacked control over their supply chain.

OLAF placed a high priority on identifying and preventing these fraudulent activities. Through its investigations, OLAF uncovered various fraud schemes, sharing the gathered information with both EU Member States and non-EU countries. OLAF also pinpointed 270 companies employing forged or invalid EU declarations of conformity, disseminating pertinent information to EU Member States. The diligent work of OLAF's investigators and analysts empowered Member States to halt the distribution of over 100 million counterfeit or substandard medical supplies in 2021.

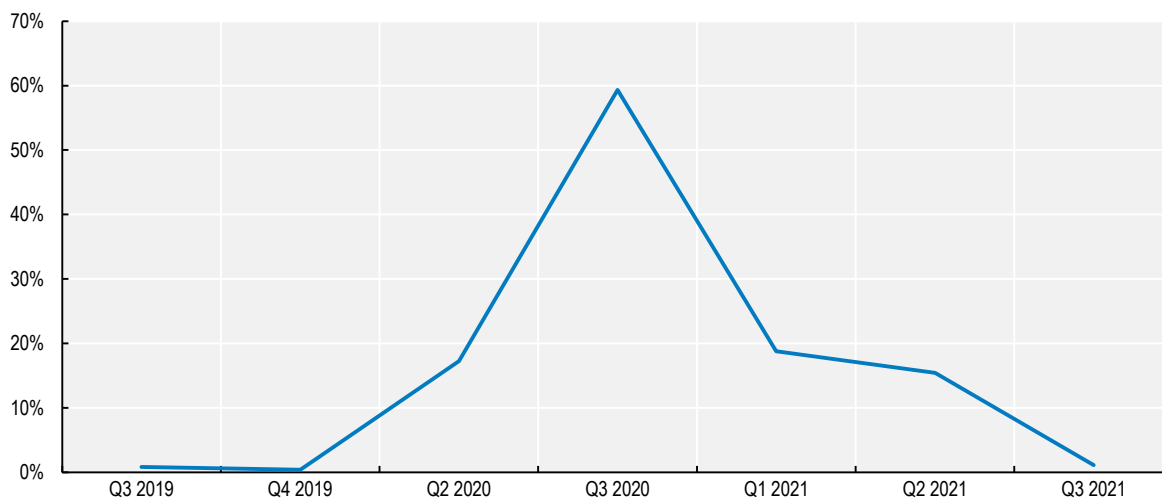
Both the customs data seizures from DG TAXUD and US CBP-ICE show sharp rises in the shares of counterfeit masks (in their HS category) from the second quarter of 2020. This was transitory and was followed by a sharp decline, with the share of these products returning to pre-pandemic levels by the third quarter of 2021.

Figure 3.4. Share of face masks seized by EU customs among the seizures of the corresponding HS code from Q3 2019 to Q3 2021



Source: OECD/EUIPO global customs seizures.

Figure 3.5. Share of face masks seized by US customs among the seizures of the corresponding HS code from Q3 2019 to Q3 2021



Source: OECD/EUIPO global customs seizures.

3.4. Beyond protective equipment: Counterfeiting amidst the COVID-19 pandemic

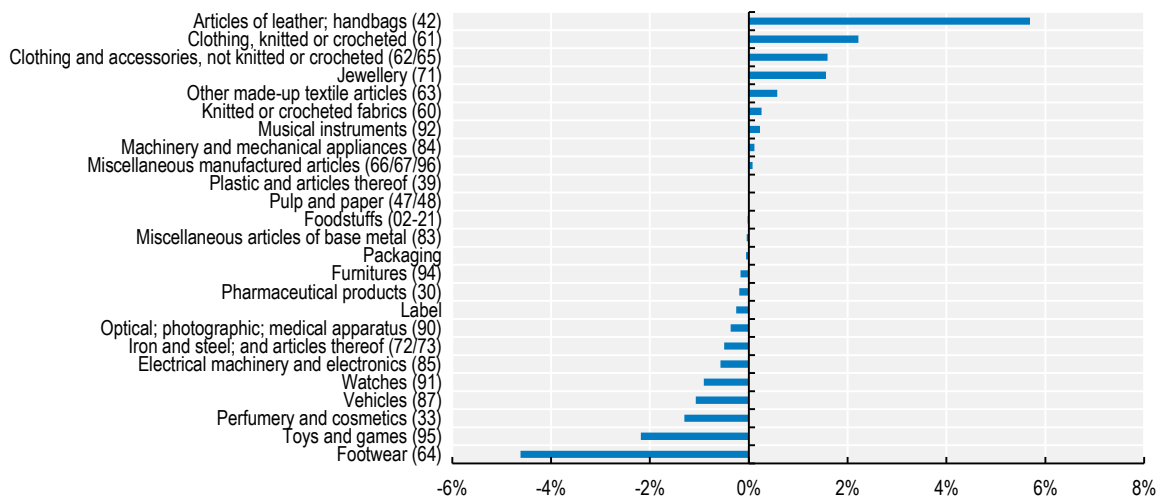
While there is a perception that counterfeiting during the pandemic focused on masks and personal protective equipment (PPE), organised crime broadened their operations. The transition in consumer behaviour towards online purchasing was exploited, encompassing a range of products such as cosmetics, toys, sportswear, accessories, and even food and beverages.

Data on customs seizures show that during the pandemic items such as leather goods, clothing and jewellery in particular were increasingly counterfeited. Indeed, they were seized more frequently than during the pre-COVID-19 period (Figure 3.6). The shares of customs seizures related to these product categories were higher in 2020-21 than in 2017-19.

Significantly, the pharmaceutical industry came under threat due to the escalating demand for anti-COVID-19 products that often could not be satisfied. Markets were inundated with fraudulent treatments, test kits, and medical supplies. The pandemic also prompted temporary regulatory adjustments, such as the suspension of serialisation requirements for critical drugs by Luxembourg and French authorities. The lockdown, though essential for health reasons, may have further escalated economic and social tensions. Experts noted that concerns are mounting in regions like sub-Saharan Africa, which relies heavily on imported medical supplies, about the repercussions on diseases like malaria and AIDS (OECD, 2021^[8]).

The COVID-19 pandemic further accentuated the challenges faced by high-risk industries such as tobacco, alcohol and food. Criminal entities driving illicit trade networks capitalized on the pandemic, exploiting systemic vulnerabilities and rapidly changing conditions. Factors like border closures, reshaped supplier structures and disrupted supply chain relationships; evolving enforcement priorities contributed to the illicit upsurge. Enforcement agencies in Europe have uncovered numerous instances where criminals have penetrated legitimate supply chains with counterfeit or substandard products. Examples include the reintroduction of degraded milk and dairy products into the market, fraudulent seed oils masked as extra virgin olive oil and illicit horse meat. All these products, when inferior in quality, can pose serious health risks (OECD, 2020^[9]; OECD, 2020^[10]; OECD, 2021^[11]; OECD, 2022^[12]).

Figure 3.6. Change in the share of product category among global customs seizures between 2017-19 and 2020-21 (in percentage points)



Source: OECD/EUIPO global customs seizures.

Similarly, there has been a noticeable spike in illicit tobacco trade, with significant recent seizures across EU countries. The economic aftermath of the pandemic such as the decline in consumers' purchasing power have prompted them to buy cheaper tobacco products. Criminal groups are gearing up to cater to this demand (OECD, 2020^[9]; OECD, 2020^[10]).

Lastly, illicit trade in alcohol has grown significantly, e.g. in counterfeit wines. Even if the demand for alcohol has remained stable, supply chains for legitimate products have been disrupted. This demand-supply imbalance is exploited by criminals producing substandard and hazardous alcoholic beverages. Reports from countries such as the Dominican Republic and India have confirmed hundreds of deaths due to the consumption of such illicit alcohol, emphasising the gravity of the situation (OECD, 2022^[12]; OECD, 2021^[11]).

3.5. Counterfeiting goes on-line

The COVID-19 pandemic dramatically reshaped global e-commerce. As the world grappled with the crisis, the online environment witnessed a heightened risk of cybercrime. Authorities reported that as remote work grew, cybercriminals exploited the less secure infrastructure of home networks. Law enforcement agencies across the European Union found e-commerce platforms being extensively used for distributing fraudulent COVID-19 related products. Such malpractices were not restricted to the European Union. The United States faced challenges in ensuring secure and lawful e-commerce; a rise in the use of small packages by counterfeiters that required only minimal data, made it difficult to track illicit activities.

With lockdowns forcing the closure of physical markets, consumers pivoted to online shopping, leading to a proliferation of e-commerce ventures. As a result, e-commerce giants such as Amazon, Alibaba, and AliExpress experienced exponential growth. Improved responsiveness and customer service became a hallmark of this era, further enhancing online shopping experiences.

The surge in online shopping was not a temporary phenomenon. Even after restrictions eased, consumers continued to show a preference for online platforms. For instance, the United Kingdom reported a 47% surge in online sales in the first half of the pandemic, which persisted, leading to a 41% rise in retail trade from 2019. This shift in consumer behaviour was echoed globally and consumer confidence in e-commerce platforms grew.

Experts noted that the pandemic's influence was not just limited to consumer behaviour. There was an explosive growth in domain registrations related to COVID-19 for selling medical items. Additionally, the Dark Net saw an uptick in the distribution of counterfeit medicines, leveraging COVID-19 as a major key word.

Another consequence of the e-commerce boom was the strain on postal and courier services. With the rising volume of packages, declaring and inspecting shipments became increasingly difficult. For enforcement services monitoring these shipments became an enormous task due to the sheer volume. Additionally, the pandemic led many brands to prioritise tasks other than brand protection, inadvertently allowing counterfeit activities to flourish.

3.6. Enforcement challenges and responses

The onset of the pandemic brought unprecedented challenges to enforcement authorities. A significant hurdle arose with fluctuations in trade volumes due to pandemic-induced lockdowns and restrictions. Experts noted that contrary to some assumptions, the dips in counterfeit goods seizures were primarily a result of these trade volume changes rather than a lapse in enforcement.

Customs officers responsible for inspecting containers faced the dilemma of adapting to a rapidly changing landscape. Unlike many professions that transitioned to remote work, customs inspections necessitated on-site presence. Officers navigated through staffing and operational adjustments to maintain operations during the pandemic.

An alarming surge in counterfeit and substandard products, including masks and other health equipment, intensified the challenge. Inaccurate health claims and fraudulent certification added layers of complexity to a fraught situation. For example, enforcement officers in the European Union grappled with the discrepancies in international standards. On occasion, substandard products entered the EU market due to pressing demand and stretched resources.

Experts noted that during the COVID-19 pandemic enforcement officers, faced with limited resources and a wide range of responsibilities, had to recalibrate their priorities. Prior to the pandemic, enforcement officers juggled diverse tasks from combating counterfeit goods to narcotics interdiction. However, the

gravity of COVID-19 demanded a renewed focus on health and safety-related materials, particularly for COVID-19 related products, such as Personal Protective Equipment (PPE) and test kits.² As the pandemic's grip loosened and health concerns eased, there was a reduction in the priority of health products. Many countries reverted to pre-pandemic customs procedures, with *ad hoc* health measures relaxed or lifted.

In terms of processes, according to interviewed enforcement experts, despite the challenges there were no significant shifts in customs procedures during the pandemic. Meanwhile, the boom in online shopping underscored the challenges of managing cross-border counterfeit trafficking, especially when small packages were involved. The persisting issues concerning small packages in counterfeit trafficking suggest that procedural changes might be needed in the future.

Information sharing between enforcement officers and rights holders emerged as another bottleneck. For example, a pilot programme introduced by US CBP allowing importers to abandon suspected counterfeit shipments was challenged due to insufficient communication with rights holders. Economic strains played a role as well. With numerous companies grappling with financial constraints, the focus shifted away from IPR enforcement.

Internationally, enforcement authorities in OECD countries rallied against the changes in illicit trade propelled by the pandemic. The US Department for Homeland Security (DHS) initiated Operation Stolen Promise, addressing global trade and cybercrime. The European Union launched several initiatives in response. DG TAXUD set up a customs risk management alert for COVID-19, DG Trade instituted pre-export authorisation for PPEs, and DG GROW issued guidelines to ensure the supply and safety of medical equipment. Simultaneously, OLAF focused on preventing the entry of illicit goods into the European Union through intelligence sharing and updating risk profiles.

3.7. Lessons learned

The advent of the COVID-19 pandemic presented an array of challenges in the realm of counterfeiting. These difficulties underscored the need for an integrated, collaborative response at both the international and national levels.

3.7.1. Collaborative endeavours

To combat the escalating counterfeiting issue, international collaboration emerged as a pivotal strategy. The United States actively engaged in real-time intelligence sharing with many partners in Latin America. Such collaboration significantly augmented the capacity to identify and interdict counterfeit and substandard products. Nationally, enhanced co-operation was manifested through the collaboration between customs and market surveillance authorities (e.g. food safety), particularly evident in addressing issues like contaminated sanitisers.

Despite these efforts, the surge in e-commerce during the pandemic provided fertile ground for counterfeit activities. Addressing the voluminous small parcels typical in e-commerce continues to be a challenge.

3.7.2. Overcoming challenges: Innovation and lessons

Countries took several measures in response to the pandemic's challenges. For example, the US Customs and Border Protection (CBP) agency faced persistent issues of limited resources and evolving priorities. Their adaptive response included creating rapid response teams that partnered with businesses importing vital goods. This proactive measure ensured the swift import of crucial supplies to medical establishments. The CBP also developed ties with the e-commerce ecosystem, encompassing platforms and carriers. Such alliances facilitated enhanced communication and collective action against counterfeit activities online.

Another example is the adoption by Finnish customs of remote working practices to safeguard field officers. This shift led to increased virtual training sessions.

In the United Kingdom, the government's strategy to respond to challenges included the establishment of an Office for Product Safety and Standards, which held sellers accountable for product safety compliance. This strategy, however, had limited efficacy against international counterfeiters. The proposal of an online safety bill aimed to further address online counterfeiting was considered, but its scope was limited as it did not address intellectual property issues.

A notable achievement during these tumultuous times was the co-operative spirit evident in vaccine distribution. There was unparalleled collaboration between enforcement agencies, the medical supply sector, and other private actors. This cohesion effectively prevented the influx of counterfeit vaccines on the market.

3.7.3. Future directions

To combat counterfeiting holistically, there is an emerging consensus on the need for integrated strategies that encompass the public and private sectors. Such strategies should encapsulate not just law enforcement, but entities from the financial, e-commerce, and telecommunications communities. Harnessing the insights and resources from these parties can provide a comprehensive understanding of counterfeiting challenges.

Additionally, experts highlighted the need for countries to treat counterfeiting as a significant economic crime, warranting attention and resources. By integrating counterfeiting within broader economic crime paradigms, a more cohesive, effective, and efficient approach to its mitigation can be achieved. In this context, it is worth noting the European Multidisciplinary Platform Against Criminal Threats (EMPACT),³ an EU policy cycle, embodies an integrated approach to EU internal security. This comprehensive strategy encompasses a spectrum of measures, including external border controls, collaboration among police, customs, and judicial entities, information management, innovation, training, prevention, and addressing the external dimension of internal security. Additionally, EMPACT recognises the importance of fostering public-private partnerships where applicable and has a clear methodology to develop, implement and evaluate priorities in the fight against organised and serious international crime. It aims to tackle the most important threats posed to the European Union in a coherent and methodological way by improving and strengthening co-operation between the relevant services of the Member States, EU institutions and EU agencies, as well as third-party economies and organisations, including the private sector where relevant. Some illicit activities are included in the list of the European Union's priorities in the fight against serious and organised crime.

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Notes

¹ A list of questions discussed during the interviews can be found in the Annex 3.B.

² See Annex 3.A for a full list.

³ For more information, refer to the [EMPACT website, https://www.europol.europa.eu/crime-areas-and-statistics/empact](https://www.europol.europa.eu/crime-areas-and-statistics/empact).

Annex 3.A. List of COVID-19-related products

HS codes	Product description	Category	Category description
30021400	Immunological products, mixed, not put up in measured doses or in forms or packings for retail sale	A	COVID-19 Test kits/ Instruments and apparatus used in diagnostic testing
30021098	Blood fractions and immunological products, whether or not modified or obtained by means of biotechnological processes (excluding antisera, haemoglobin, blood globulins and serum globulins)	A	COVID-19 Test kits/ Instruments and apparatus used in diagnostic testing
65061080	Safety headgear, whether or not lined or trimmed (other than of plastics)	B	Protective garments and the like
65069100	Bathing caps, hoods and other headgear, whether or not lined or trimmed, of rubber or plastics (other than safety headgear and headgear having the character of toys or festive articles)	B	Protective garments and the like
40151900	Gloves, mittens and mitts, of vulcanised rubber (excluding surgical gloves)	B	Protective garments and the like
40151100	Surgical gloves, of vulcanised rubber other than hard rubber (excl. fingerstalls)	B	Protective garments and the like
40151200	Gloves, mittens and mitts, of a kind used for medical, surgical, dental or veterinary purposes, of vulcanised rubber	B	Protective garments and the like
61161020	Gloves, impregnated, coated or covered with rubber, knitted or crocheted	B	Protective garments and the like
39269060	Protective face shields/visors of plastics	B	Protective garments and the like
39269097	Articles of plastics and articles of other materials of heading 3901 to 3914, n.e.s.	B	Protective garments and the like
39262000	Articles of apparel and clothing accessories produced by the stitching or sticking together of plastic sheeting, incl. gloves, mittens and mitts	B	Protective garments and the like
40149000	Hygienic or pharmaceutical articles, incl. teats, of vulcanised rubber (excluding hard rubber), with or without fittings of hard rubber, n.e.s. (excluding sheath contraceptives and articles of apparel and clothing accessories, incl. gloves, for all purposes)	B	Protective garments and the like
40159000	Articles of apparel and clothing accessories, for all purposes, of vulcanised rubber (excl. hard rubber and footwear and headgear and parts thereof, and gloves, mittens and mitts)	B	Protective garments and the like
48185000	Articles of apparel and clothing accessories, of paper pulp, paper, cellulose wadding or webs of cellulose fibres (excluding footwear and parts thereof, including insoles, heel pieces and similar removable products, gaiters and similar products, headgear and parts thereof)	B	Protective garments and the like
48189010	Articles of paper pulp, paper, cellulose wadding or webs of cellulose fibre of a kind used for surgical, medical or hygienic purposes (excluding toilet paper, handkerchiefs, cleansing or facial tissues and towels, tablecloths, serviettes, sanitary towels and tampons, napkins and napkin liners for babies and similar sanitary articles, and goods put up for retail sale)	B	Protective garments and the like
48189090	Paper, cellulose wadding or webs of cellulose fibres, of a kind used for household or sanitary purposes, in rolls of a width <= 36 cm, or cut to size or shape; articles of paper pulp, paper, cellulose wadding or webs of cellulose fibres for household, sanitary or hospital use (excl. toilet paper, handkerchiefs, cleansing or facial tissues and towels, tablecloths, serviettes, sanitary towels and tampons, napkins and napkin liners for babies and similar sanitary articles, and articles of a kind used for surgical, medical or hygienic purposes not put up for retail sale)	B	Protective garments and the like
62113390	Men's or boys' garments, of man-made fibres, n.e.s. (not knitted or crocheted)	B	Protective garments and the like
62113900	Men's or boys' tracksuits and other garments, n.e.s. of textile materials (excl. of wool, fine animal hair, cotton or man-made fibres, knitted or crocheted)	B	Protective garments and the like
62113210	Men's or boys' industrial and occupational clothing of cotton (excl. knitted or crocheted)	B	Protective garments and the like

HS codes	Product description	Category	Category description
62113290	Men's or boys' garments, of cotton, n.e.s. (not knitted or crocheted)	B	Protective garments and the like
62113310	Men's or boys' industrial and occupational clothing of man-made fibres (excl. knitted or crocheted)	B	Protective garments and the like
621142	Women's or girls' tracksuits and other garments, n.e.s. of cotton (excl. knitted or crocheted)	B	Protective garments and the like
621143	Women's or girls' tracksuits and other garments, n.e.s. of man-made fibres (excl. knitted or crocheted)	B	Protective garments and the like
621149	Women's or girls' tracksuits and other garments, n.e.s. of textile materials (excl. of cotton or man-made fibres, knitted or crocheted and goods of 9619)	B	Protective garments and the like
611300	Garments, knitted or crocheted, rubberised or impregnated, coated or covered with plastics or other materials (excl. babies' garments and clothing accessories)	B	Protective garments and the like
62102000	Garments of the type described in subheading 6201,11 to 6201,19, rubberised or impregnated, coated, covered or laminated with plastics or other substances	B	Protective garments and the like
62101010	Garments made up of felt, whether or not impregnated, coated, covered or laminated (excl. babies' garments and clothing accessories)	B	Protective garments and the like
62101092	Single-use gowns made up of nonwovens, of a kind used by patients or surgeons during surgical procedures	B	Protective garments and the like
62101098	Garments made up of nonwovens, whether or not impregnated, coated, covered or laminated (excl. babies' garments, clothing accessories, and single-use gowns used during surgical procedures)	B	Protective garments and the like
62103000	Garments of the type described in subheading 6202,11 to 6202,19, rubberised or impregnated, coated, covered or laminated with plastics or other substances	B	Protective garments and the like
62104000	Men's or boys' garments of textile fabrics, rubberised or impregnated, coated, covered or laminated with plastics or other substances (excl. of the type described in subheading 6201,11 to 6201,19, and babies' garments and clothing accessories)	B	Protective garments and the like
62105000	Women's or girls' garments of textile fabrics, rubberised or impregnated, coated, covered or laminated with plastics or other substances (excl. of the type described in subheading 6202,11 to 6202,19, and babies' garments and clothing accessories)	B	Protective garments and the like
56039490	Nonwovens, whether or not impregnated or laminated, n.e.s., weighing > than 150 g/m ² (excl. coated or covered or of man-made filaments)	B	Protective garments and the like
56031110	Nonwovens, coated or covered, n.e.s., of man-made filaments, weighing <= 25 g/m ²	B	Protective garments and the like
90200010	Gas masks (excl. protective masks having neither mechanical parts nor replaceable filters)	B	Protective garments and the like
63079092	Single-use drapes used during surgical procedures made up of nonwovens	B	Protective garments and the like
900490	Spectacles, goggles and the like, corrective, protective or other (excl. spectacles for testing eyesight, sunglasses, contact lenses, spectacle lenses and frames and mountings for spectacles)	B	Protective garments and the like
902000	Breathing appliances and gas masks, incl. parts and accessories (excl. protective masks having neither mechanical parts nor replaceable filters, and artificial respiration or other therapeutic respiration apparatus)	B	Protective garments and the like
29182100	Salicylic acid and its salts	C	Disinfectants and sterilization products
22071000	Undenatured ethyl alcohol, of actual alcoholic strength of >= 80%	C	Disinfectants and sterilization products
22072000	Denatured ethyl alcohol and other spirits of any strength	C	Disinfectants and sterilization products
22089091	Undenatured ethyl alcohol, of an alcoholic strength of < 80% vol, in containers holding <= 2 l	C	Disinfectants and sterilization products
22089099	Undenatured ethyl alcohol, of an alcoholic strength of < 80% vol, in containers holding > 2 l	C	Disinfectants and sterilization products
28470000	Hydrogen peroxide, whether or not solidified with urea	C	Disinfectants and sterilization products

HS codes	Product description	Category	Category description
29051200	Propan-1-ol "propyl alcohol" and propan-2-ol "isopropyl alcohol"	C	Disinfectants and sterilization products
29151100	Formic acid	C	Disinfectants and sterilization products
29151200	Salts of formic acid	C	Disinfectants and sterilization products
38089490	Disinfectants, put up for retail sale or as preparations or articles (excl. such products based on quaternary ammonium salts or halogenated compounds and goods of subheading 3808.50)	C	Disinfectants and sterilization products
38089410	Disinfectants, based on quaternary ammonium salts, put up for retail sale or as preparations or articles (excl. goods of subheading 3808.50)	C	Disinfectants and sterilization products
38089420	Disinfectants, based on halogenated compounds, put up for retail sale or as preparations or articles (excl. goods of subheading 3808.50)	C	Disinfectants and sterilization products
84192000	Medical, surgical or laboratory sterilizers	C	Disinfectants and sterilization products
85395200	Light-emitting diode "LED" lamps	C	Disinfectants and sterilization products
85394900	Ultraviolet or infra-red lamps	C	Disinfectants and sterilization products
85395000	Light-emitting diode "LED" lamps	C	Disinfectants and sterilization products
85285299	Monitors designed for computer use but of a kind not used principally with a computer (excl. CRT, LCD, with TV receiver)	E	Medical devices and equipment
85285291	LCD monitors designed for computer use but of a kind not used principally with a computer (excl. with TV receiver)	E	Medical devices and equipment
85285931	Colour LCD monitors, not incorporating television reception apparatus, able to display signals from automatic data-processing machines with an acceptable level of functionality (excl. those of a kind solely or principally used in an automatic data-processing system of heading 8471)	E	Medical devices and equipment
85285939	Colour flat panel displays, not incorporating television reception apparatus, able to display signals from automatic data-processing machines with an acceptable level of functionality (excl. LCD monitors and those of a kind solely or principally used in an automatic data-processing system of heading 8471)	E	Medical devices and equipment
85285900	Monitors (excl. with TV receiver, CRT and those designed for computer use)	E	Medical devices and equipment
85285920	Monochrome flat panel displays, not incorporating television reception apparatus, able to display signals from automatic data-processing machines with an acceptable level of	E	Medical devices and equipment
90181990	Electro-diagnostic apparatus, incl. apparatus for functional exploratory examination or for checking physiological parameters (excl. electro-cardiographs, ultrasonic scanning apparatus, magnetic resonance imaging apparatus, scintigraphic apparatus and monitoring apparatus for simultaneous monitoring of two or more physiological parameters)	E	Medical devices and equipment
85285970	Monitors, not incorporating television reception apparatus (excl. with cathode ray tube, and flat panel displays able to display signals from automatic data-processing machines with an acceptable level of functionality)	E	Medical devices and equipment
90181910	Electro-diagnostic monitoring apparatus for simultaneous monitoring of two or more physiological parameters	E	Medical devices and equipment
90189050	Transfusion and infusion apparatus used in medical sciences	E	Medical devices and equipment
84138100	Pumps for liquids, power-driven (excl. those of subheading 8413.11 and 8413.19, fuel, lubricating or cooling medium pumps for internal combustion piston engine, concrete pumps, general reciprocating or rotary positive displacement pumps and centrifugal pumps of all kinds)	E	Medical devices and equipment
90189084	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	E	Medical devices and equipment
902511	Thermometers, liquid-filled, for direct reading, not combined with other instruments	E	Medical devices and equipment
902519	Thermometers and pyrometers, not combined with other instruments (excl. liquid-filled thermometers for direct reading)	E	Medical devices and equipment

HS codes	Product description	Category	Category description
37011000	Photographic plates and film in the flat, sensitised, unexposed, for X-ray (excl. of paper, paperboard and textiles)	E	Medical devices and equipment
90181200	Ultrasonic scanning apparatus	E	Medical devices and equipment
90189020	Endoscopes used in medical, surgical or veterinary sciences	E	Medical devices and equipment
90189060	Anaesthetic apparatus and instruments	E	Medical devices and equipment
90192090	Ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus, incl. parts and accessories (excl. mechanical ventilation apparatus)	E	Medical devices and equipment
90221200	Computer tomography apparatus	E	Medical devices and equipment
90221400	Apparatus based on the use of X-rays, for medical, surgical or veterinary uses (excl. for dental purposes and computer tomography apparatus)	E	Medical devices and equipment
37021000	Photographic film in rolls, unexposed, for X-ray (excl. of paper, paperboard or textiles)	E	Medical devices and equipment
7017	Laboratory, hygienic or pharmaceutical glassware, whether or not graduated or calibrated (excl. containers for the conveyance or packing of goods, measuring, checking or medical instruments and apparatus of chapter 90)	E	Medical devices and equipment
731100	Containers of iron or steel, for compressed or liquefied gas (excl. containers specifically constructed or equipped for one or more types of transport)	E	Medical devices and equipment
73249000	Sanitary ware, incl. parts thereof (excl. cans, boxes and similar containers of heading 7310, small wall cabinets for medical supplies or toiletries and other furniture of chapter 94, and fittings, complete sinks and washbasins, of stainless steel, complete baths and fittings)	E	Medical devices and equipment
76130000	Aluminium containers for compressed or liquefied gas	E	Medical devices and equipment
85437090	Electrical machines and apparatus, having individual functions, n.e.s. in chap. 85(2018-2500);Indicator panels with liquid crystal devices "LCD" (excl. active matrix liquid crystal devices and those of a kind used for motor vehicles, cycles or traffic signalling)(2017-2017); Electrical machines and apparatus, having individual functions, n.e.s. in chap. 85(2007-2016)	E	Medical devices and equipment
90181100	Electro-cardiographs	E	Medical devices and equipment
90268080	Non-electronic instruments or apparatus for measuring or checking variables of liquids or gases, n.e.s.	E	Medical devices and equipment
90282000	Liquid meters, incl. calibrating meters therefor	E	Medical devices and equipment
90268020	Electronic instruments or apparatus for measuring or checking variables of liquids or gases, n.e.s.	E	Medical devices and equipment
30025100	Cell therapy products	F	Medical consumables
30024110	Vaccines against SARS-related coronaviruses "SARS-CoV species", for human medicine	F	Medical consumables
30024900	Toxins, cultures of micro-organisms and similar products, e.g. plasmodia (excl. yeasts and vaccine)	F	Medical consumables
29339980	Heterocyclic compounds with nitrogen hetero-atom{s} only (excl. those containing an unfused pyrazole, imidazole, pyridine or triazine ring, whether or not hydrogenated, a quinoline or isoquinoline ring-system, not further fused, whether or not hydrogenated, a pyrimidine ring, whether or not hydrogenated, or piperazine ring in the structure, lactams, alprazolam (INN), camazepam (INN), chlordiazepoxide (INN), clonazepam (INN), clorazepate, delorazepam (INN), diazepam (INN), estazolam (INN), ethyl loflazepate (INN), fludiazepam (INN), flunitrazepam (INN), flurazepam (INN), halazepam (INN), lorazepam (INN), lormetazepam (INN), mazindol (INN), medazepam (INN), midazolam (INN), nimetazepam (INN), nitrazepam (INN), nordazepam (INN), oxazepam (INN), pinazepam (INN), prazepam (INN), pyrovalerone (INN), temazepam (INN), tetrazepam (INN), triazolam (INN), salts thereof, indole, 3-methylindole "skatole", 6-allyl-6,7-dihydro-5H-dibenz"e"azepine "azapetine", phenindamine (INN) and their salts, imipramine hydrochloride "INNM", 2,4-di-tert-butyl-6-"5-chlorobenzotriazol-2-yl"phenol and azinphos-methyl (ISO))(2017-2500);Heterocyclic compounds with nitrogen hetero-atom{s} only (excl. those containing an	F	Medical consumables

HS codes	Product description	Category	Category description
	unfused pyrazole, imidazole, pyridine or triazine ring, whether or not hydrogenated, a quinoline or isoquinoline ring-system, not further fused, whether or not hydrogenated, a pyrimidine ring, whether or not hydrogenated, or piperazine ring in the structure, lactams, alprazolam (INN), camazepam (INN), chlordiazepoxide (INN), clonazepam (INN), clorazepate, delorazepam (INN), diazepam (INN), estazolam (INN), ethyl loflazepate (INN), fludiazepam (INN), flunitrazepam (INN), flurazepam (INN), halazepam (INN), lorazepam (INN), lormetazepam (INN), mazindol (INN), medazepam (INN), midazolam (INN), nimetazepam (INN), nitrazepam (INN), nordazepam (INN), oxazepam (INN), pinazepam (INN), prazepam (INN), pyrovalerone (INN), temazepam (INN), tetrazepam (INN), triazolam (INN), salts thereof, indole, 3-methylindole "skatole", 6-allyl-6,7-dihydro-5H-dibenz"e"azepine "azapetine", phenindamine (INN) and their salts, imipramine hydrochloride "INNM", 2,4-di-tert-butyl-6-"5-chlorobenzotriazol-2-yl"phenol)(2009-2016)		
30025900	Cell cultures, whether or not modified (excl. cell therapy products)	F	Medical consumables
30039000	Medicaments consisting of two or more constituents mixed together for therapeutic or prophylactic uses, not in measured doses or put up for retail sale (excl. antibiotics containing hormones or steroids used as hormones, but not containing antibiotics, alkaloids or derivatives thereof, hormones or antibiotics or goods of heading 3002, 3005 or 3006)(2017-2500);Medicaments consisting of two or more constituents mixed together for therapeutic or prophylactic uses, not in measured doses or put up for retail sale (excl. antibiotics containing hormones or steroids used as hormones, but not containing antibiotics, alkaloids or derivatives thereof, hormones or antibiotics or goods of heading 3002, 3005 or 3006)(2010-2016)	F	Medical consumables
30049000	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, put up in measured doses "incl. those in the form of transdermal administration" or in forms or packings for retail sale (excl. medicaments containing antibiotics, medicaments containing hormones or steroids used as hormones, but not containing antibiotics, medicaments containing alkaloids or derivatives thereof but not containing hormones or antibiotics and medicaments containing provitamins, vitamins or derivatives thereof used as vitamins)(2017-2500);Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, put up in measured doses "incl. those in the form of transdermal administration" or in forms or packings for retail sale (excl. medicaments containing antibiotics, medicaments containing hormones or steroids used as hormones, but not containing antibiotics, medicaments containing alkaloids or derivatives thereof but not containing hormones or antibiotics and medicaments containing provitamins, vitamins or derivatives thereof used as vitamins)(2012-2016)	F	Medical consumables
29349990	Nucleic acids and their salts, whether or not chemically defined; heterocyclic compounds (excl. those with oxygen or nitrogen hetero-atom"s" only, compounds containing in the structure an unfused thiazole ring or a benzothiazole or phenothiazine ring-system or further fused, aminorex (INN), brotizolam (INN), clotiazepam (INN), cloxazolam (INN), dextromoramide (INN), haloxazolam (INN), ketazolam (INN), mesocarb (INN), oxazolam (INN), pemoline (INN), phendimetrazine (INN), phenmetrazine (INN), sufentanil (INN), salts thereof, chlorpothixene (INN), thenalidine (INN) and its tartrates and maleates, furazolidone (INN), 7-aminocephalosporanic acid, salts and esters of "6R, 7R"-3-acetoxymethyl-7-("R"-2-formyloxy-2-phenylacetamido)-8-oxo-5-thia-1-azabicyclo[4.2.0]oct-2-ene-2-carboxylic acid, 1-{2-"1,3-dioxan-2-yl"ethyl}-2-methylpyridinium bromide, and inorganic or organic compounds of mercury)(2022-2500);Nucleic acids and their salts, whether or not chemically defined; heterocyclic compounds (excl. those with oxygen or nitrogen hetero-atom"s" only, compounds containing in the structure an unfused thiazole ring or a benzothiazole or phenothiazine ring-system or further fused, aminorex (INN), brotizolam (INN), clotiazepam (INN), cloxazolam (INN), dextromoramide (INN), haloxazolam (INN), ketazolam (INN), mesocarb (INN), oxazolam (INN),	F	Medical consumables

HS codes	Product description	Category	Category description
	pemoline (INN), phendimetrazine (INN), phenmetrazine (INN), sufentanil (INN), salts thereof, chlorpothixene (INN), thenalidine (INN) and its tartrates and maleates, furazolidone (INN), 7-aminocephalosporanic acid, salts and esters of "6R, 7R"-3-acetoxymethyl-7-{"R"-2-formyloxy-2-phenylacetamido}-8-oxo-5-thia-1-azabicyclo{4.2.0}oct-2-ene-2-carboxylic acid, 1-{2-"1,3-dioxan-2-yl"ethyl}-2-methylpyridinium bromide, and inorganic or organic compounds of mercury)(2017-2021);Nucleic acids and their salts, whether or not chemically defined; heterocyclic compounds (excl. those with oxygen or nitrogen hetero-atom"s" only, compounds containing in the structure an unfused thiazole ring or a benzothiazole or phenothiazine ring-system or further fused, aminorex (INN), brotizolam (INN), clotiazepam (INN), cloxazolam (INN), dextromoramide (INN), haloxazolam (INN), ketazolam (INN), mesocarb (INN), oxazolam (INN), pemoline (INN), phendimetrazine (INN), phenmetrazine (INN), sufentanil (INN), salts thereof, chlorpothixene (INN), thenalidine (INN) and its tartrates and maleates, furazolidone (INN), 7-aminocephalosporanic acid, salts and esters of "6R, 7R"-3-acetoxymethyl-7-{"R"-2-formyloxy-2-phenylacetamido}-8-oxo-5-thia-1-azabicyclo{4.2.0}oct-2-ene-2-carboxylic acid, 1-{2-"1,3-dioxan-2-yl"ethyl}-2-methylpyridinium bromide, and inorganic or organic compounds of mercury)(2012-2016);Nucleic acids and their salts, whether or not chemically defined; heterocyclic compounds (excl. those with oxygen or nitrogen hetero-atom"s" only, compounds containing in the structure an unfused thiazole ring or a benzothiazole or phenothiazine ring-system or further fused, aminorex (INN), brotizolam (INN), clotiazepam (INN), cloxazolam (INN), dextromoramide (INN), haloxazolam (INN), ketazolam (INN), mesocarb (INN), oxazolam (INN), pemoline (INN), phendimetrazine (INN), phenmetrazine (INN), sufentanil (INN), salts thereof, chlorpothixene (INN), thenalidine (INN) and its tartrates and maleates, furazolidone (INN), 7-aminocephalosporanic acid, salts and esters of "6R, 7R"-3-acetoxymethyl-7-{"R"-2-formyloxy-2-phenylacetamido}-8-oxo-5-thia-1-azabicyclo{4.2.0}oct-2-ene-2-carboxylic acid, 1-{2-"1,3-dioxan-2-yl"ethyl}-2-methylpyridinium bromide, and inorganic or organic compounds of mercury)(2007-2011);Nucleic acids and their salts, whether or not chemically defined; heterocyclic compounds (excl. those with oxygen or nitrogen hetero-atom"s" only, compounds containing in the structure an unfused thiazole ring or a benzothiazole or phenothiazine ring-system or further fused, aminorex (INN), brotizolam (INN), clotiazepam (INN), cloxazolam (INN), dextromoramide (INN), haloxazolam (INN), ketazolam (INN), mesocarb (INN), oxazolam (INN), pemoline (INN), phendimetrazine (INN), phenmetrazine (INN), sufentanil (INN), salts thereof, chlorpothixene (INN), thenalidine (INN) and its tartrates and maleates, furazolidone (INN), 7-aminocephalosporanic acid, salts and esters of "6R, 7R"-3-acetoxymethyl-7-{"R"-2-formyloxy-2-phenylacetamido}-8-oxo-5-thia-1-azabicyclo{4.2.0}oct-2-ene-2-carboxylic acid and 1-{2-"1,3-dioxan-2-yl"ethyl}-2-methylpyridinium bromide)(2002-2006)		
300220	Vaccines for human medicine	F	Medical consumables
30022010	Vaccines against SARS-related coronaviruses "SARS-Cov species", for human medicine	F	Medical consumables
30051000	Adhesive dressings and other articles having an adhesive layer, impregnated or covered with pharmaceutical substances or put up for retail sale for medical, surgical, dental or veterinary purposes	F	Medical consumables
30059099	Bandages and similar articles impregnated or covered with pharmaceutical substances or put up for retail sale for medical, surgical, dental or veterinary purposes (excl. those of textile materials, adhesive dressings and other articles having an adhesive layer)	F	Medical consumables
30059010	Wadding and articles of wadding, impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale for medical, surgical, dental or veterinary purposes	F	Medical consumables
30059031	Gauze and articles of gauze, impregnated or covered with pharmaceutical substances or put up for retail sale for medical, surgical, dental or veterinary purposes	F	Medical consumables

HS codes	Product description	Category	Category description
34021200	Cationic organic surface-active agents, whether or not put up for retail sale (excl. soap)	F	Medical consumables
34013000	Organic surface-active products and preparations for washing the skin, in the form of liquid or cream and put up for retail sale, whether or not containing soap	F	Medical consumables
34011100	Soap and organic surface-active products and preparations, in the form of bars, cakes, moulded pieces or shapes, and paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent, for toilet use, incl. medicated products	F	Medical consumables
34024100	Cationic organic surface-active agents, whether or not put up for retail sale	F	Medical consumables
34012010	Soap in the form of flakes, granules or powders	F	Medical consumables
34012090	Soap in paste form "soft soap" or in aqueous solution "liquid soap"	F	Medical consumables
34011900	Soap and organic surface-active products and preparations, in the form of bars, cakes, moulded pieces or shapes, and paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent (excl. those for toilet use, incl. medicated products)	F	Medical consumables
391723	Rigid tubes, pipes and hoses, of polymers of vinyl chloride	F	Medical consumables
391721	Rigid tubes, pipes and hoses, of polymers of ethylene	F	Medical consumables
391722	Rigid tubes, pipes and hoses of polymers of propylene	F	Medical consumables
39173200	Flexible tubes, pipes and hoses of plastics, not reinforced or otherwise combined with other materials, without fittings	F	Medical consumables
39173300	Flexible tubes, pipes and hoses of plastics, not reinforced or otherwise combined with other materials, with fittings, seals or connectors	F	Medical consumables
39172900	Rigid tubes, pipes and hoses, of plastics (excluding those of polymers of ethylene, propylene and vinyl chloride)	F	Medical consumables
39173100	Flexible tubes, pipes and hoses, of plastics, burst pressure $\geq 27,6$ MPa	F	Medical consumables
39173900	Flexible tubes, pipes and hoses, of plastics, reinforced or otherwise combined with other materials (excluding those with a burst pressure of $\geq 27,6$ MPa)	F	Medical consumables
90183210	Tubular metal needles, used in medical, surgical, dental or veterinary sciences	F	Medical consumables
90183290	Needles for sutures, used in medical, surgical, dental or veterinary sciences	F	Medical consumables
90183110	Syringes of plastic, with or without needles, used in medical, surgical, dental or veterinary sciences	F	Medical consumables
90183190	Syringes, with or without needles, used in medical, surgical, dental or veterinary sciences (excl. of plastic)	F	Medical consumables
90183900	Needles, catheters, cannulae and the like, used in medical, surgical, dental or veterinary sciences (excl. syringes, tubular metal needles and needles for sutures)	F	Medical consumables
392329	Sacks and bags, incl. cones, of plastics (excluding those of polymers of ethylene)	F	Medical consumables
28044000	Oxygen	F	Medical consumables
30067000	Gel preparations designed to be used in human or veterinary medicine as a lubricant for parts of the body for surgical operations or physical examinations or as a coupling agent between the body and medical instruments	F	Medical consumables
87139000	Carriages for disabled persons, motorised or otherwise mechanically propelled (excluding specially designed motor vehicles and bicycles)	G	Medical vehicles and furniture
94029000	Operating tables, examination tables, and other medical, dental, surgical or veterinary furniture (excluding dentists' or similar chairs, special tables for X-ray examination, and stretchers and litters, including trolley-stretchers)	G	Medical vehicles and furniture
842139	Machinery and apparatus for filtering or purifying gases (excl. isotope separators and intake air filters for internal combustion engines)	D	Oxygen therapy equipment
901920	Ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus, incl. parts and accessories	D	Oxygen therapy equipment
90192010	Mechanical ventilation apparatus, capable of providing invasive	D	Oxygen therapy equipment

HS codes	Product description	Category	Category description
	ventilation		
90192020	Mechanical ventilation apparatus, non-invasive	D	Oxygen therapy equipment
90192090	Ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus, incl. parts and accessories (excluding mechanical ventilation apparatus)	D	Oxygen therapy equipment
84248970	Mechanical appliances, whether or not hand-operated, for projecting, dispersing or spraying liquids or powders, n.e.s.	G	Medical vehicles and furniture
63062200	Tents of synthetic fibres (excluding umbrella and play tents)	G	Medical vehicles and furniture
63062900	Tents of textile materials (excluding cotton or synthetic fibres and fly sheets)	G	Medical vehicles and furniture
84248900	Mechanical appliances, whether or not hand-operated, for projecting, dispersing or spraying liquids or powders, n.e.s.	G	Medical vehicles and furniture
870590	Special purpose motor vehicles (other than those principally designed for the transport of persons or goods and excluding concrete-mixer lorries, fire fighting vehicles, mobile drilling derricks and crane lorries)	G	Medical vehicles and furniture

Source: Eurostat, HS/CN8 classification reference list for dataset 'EU trade since 2015 of COVID-19 medical supplies', European Commission Decision N° C(2020) 2146.

Annex 3.B. Questions covered in interviews with experts on the impact of COVID-19 in the illicit trade of counterfeit products

General situation

- Have there been new priorities in the relevant legal/regulatory frameworks during the pandemic? If yes, what are their impacts on the results (nature/volume of seizures)?
- How has the COVID-19 pandemic affected the volume and nature of goods seized by customs? For example, how to explain the drop in the number of seizures in the first half of 2020 (drop in travel volumes / shortages of enforcement officers)?
- More generally, have there been any challenges or obstacles faced by customs during the COVID-19 period?

Nature of seized products

- Have there been any specific changes in the types of counterfeit or illegal goods being seized during the pandemic?
- What were the most frequently seized COVID-related products? And non-COVID products? Did you note the appearance of any new/unusual products?
- Have you noted some longer-term changes in the structure of import in general after pandemic?

Supply chain and trade routes

- Have customs noticed any shifts in the supply chains or routes used by traffickers during the pandemic?
- Have there been any relevant trends regarding the provenance/destination economies of seized goods during the COVID-19 pandemic?

Ecommerce and consumer behaviour

- What role ecommerce has played during this period? How has it evolved?
- Have there been any changes in consumer behaviour during this specific period (uncertainty, lockdowns, fear, health awareness)?

Resources/procedures

- How has the pandemic influenced the resources, staffing, and training? Impacts on seizures.
- Have there been any changes in the methods, risk profiling or technologies used by customs to detect counterfeit goods during the pandemic?
- Have any (temporal) changes in the customs' procedures been introduced during the pandemics?

- Given the crisis, have any preferences for medical supply shipments been introduced (for instance in terms of less restrictive controls on borders)?

Lessons learned / best practices.

- Were there any specific measures or strategies implemented by customs to adapt to the pandemic?
- Were there any best practices / co-operation modes worth highlighting?

4 Concluding remarks

The COVID-19 pandemic has had a significant impact on illicit trade, posing unprecedented challenges to law enforcement. With increased demand for health-related products and the rise of e-commerce as a platform for counterfeit goods, law enforcement has faced disruption in its fight against counterfeiting. However, the crisis has also fostered increased international collaboration and innovative enforcement strategies. Continued monitoring and global collaboration will remain essential in the future to address the changing landscape of illicit trade.

The multifaceted impact of the COVID-19 pandemic on the world of counterfeiting and illicit trade was profound. The pandemic presented law enforcement agencies with unparalleled challenges, from the sudden surge in demand for specific health-related products to the adaptability of criminals exploiting vulnerabilities in a rapidly changing environment. A notable change was the growth of e-commerce, which, while providing consumers with more options for purchasing goods, became a hotbed for counterfeit goods.

In the European Union, some customs and enforcement agencies faced significant disruptions in their efforts to combat counterfeits. Not only were there shifts in consumer behaviour, but the types of counterfeit goods in circulation also evolved. Essential health products, given their demand during the crisis, became prime targets, revealing the risks posed by counterfeit versions of life-saving items. Additionally, while some traditional routes of trade were impacted, new trends such as altered trade routes through the Middle East emerged.

Despite these challenges, there were positive developments. The pandemic fostered increased international collaboration and information sharing, demonstrating the immense potential of collective efforts in combating such global threats. Agencies like OLAF or the US Customs and Border Protection showcased their adaptability by collaborating with the private sector, paving the way for innovative strategies in enforcement. This era of co-operation, combined with the invaluable lessons from countries such as Finland on remote work practices and evolving enforcement tactics, will undoubtedly shape the post-pandemic approach to combating counterfeiting.

In moving forward, the global community needs to acknowledge the enduring nature of counterfeiting challenges. While the pandemic highlighted vulnerabilities, it also emphasised the potential of co-ordinated, international efforts. As nations and agencies adapt to this post-pandemic reality, maintaining vigilance, fostering global collaboration, and incorporating lessons learned during this crisis will be pivotal in ensuring a robust response to the ever-evolving landscape of counterfeiting and illicit trade.

4.1. Next steps

The analysis presented in this report has identified several areas of research that would merit further analysis. Several impact areas were identified that require close attention and further examination to enhance our understanding and to develop robust governance frameworks to combat trade in counterfeit goods.

An important aspect of future work will be to delve deeper into the qualitative analysis, ensuring that the trends noted during interviews are cross-verified for their recurrence and validity. Shifts in illicit trade structures will need to be scrutinised further and country-specific trends will need to be monitored. Furthermore, an in-depth exploration of aggregated e-commerce data is recommended to gain greater insights.

A significant concern is the escalating abuse of e-commerce platforms in counterfeit trade. Despite its persistent risk, it is crucial to acknowledge the substantial benefits brought about by e-commerce. However, there is an urgent need to identify and address with precision the governance gaps that facilitate illicit trade. Efforts will need to be made to manage and mitigate these risks effectively.

Illicit Trade

Illicit Trade in Fakes under the COVID-19

The COVID-19 pandemic has significantly impacted various aspects of human activity, including illicit trade. Criminal networks have adapted quickly to exploit disrupted supply chains and increased demand for essential goods, creating new opportunities for profit. This report examines how the pandemic has reshaped the trade in counterfeit goods. It looks at the multifaceted effects of the COVID-19 pandemic on the trade dynamic, particularly in the European Union. It also explores its effects on the trade in counterfeit goods, drawing on both law enforcement and industry expertise, as well as global customs seizure data. In particular, it highlights the challenges faced, the changing modus operandi of counterfeiters and the solutions that have emerged during this unprecedented health crisis.



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