

OPERATION FAKE STAR

European Multidisciplinary Platform Against Criminal Threats

3.4 Operational Action (EMPACT)

Analysis Report showing how the sale of counterfeit clothes, shoes and accessories in the European Union remains a profitable market for criminals and a transnational phenomenon

EXECUTIVE SUMMARY



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- The sale of *counterfeit clothes, shoes and accessories* in the European Union remains a **profitable market for criminals** and a transnational phenomenon.
- **Clothing, footwear and luxury goods**, including bags, wallets and purses, perfumes and cosmetics and watches, continue to be the top subcategory in terms of numbers of procedures at the EU borders in 2021.
- Furthermore, in 2021, clothing accessories, watches and bags, wallets, purses appear quite consistently in the annual top rankings of overall detentions at the EU borders and EU internal market by estimated value.
- According to the results of Operation Fake Star, **sport and luxury goods** were the most seized goods.
- During the operation, considerable **use of social media**, to advertise counterfeit goods has been detected. Traders openly publish photo albums on their pages containing images of available counterfeit merchandise, notably clothing and footwear.
- Although counterfeit goods grew on e-commerce platforms and, subsequently, their share of the market increased in recent years, the results of this operation show that **conventional offline markets** are still an important reality and deserve law enforcement focus.
- During the first edition of the operation, **3 921 inspections** were carried out, which led to the **seizure of almost 2 million counterfeit clothes, shoes and garments related to 258 brands, with an estimated retail value of EUR 87 million.**
- **646 judicial cases and 1 311 administrative cases** were opened as a result of the operation and **378 individuals** were **arrested** in relation to the identified infringements.
- The **counterfeit goods identified during the operation mostly originated from outside the EU**, namely **China and Türkiye** and were intended for the European market.
- However, non-EU countries cannot be considered the sole cause of the problem of placing illicit products on EU markets since domestic production sites were also identified during the operation, namely in **Hungary, Portugal and Spain.**
- Although illegal import of finished products ready to be sold remains the primary source of counterfeit goods, the presence of domestic production and **final assembly sites** within the EU is potentially on the rise due to the smoother movement of goods within the Union. In this regard, **separate entries of semi-finished products, labels and packaging materials were detected** during the operation.
- Some countries have detected sewing machines and laser screen printing machines for clothing, used to carry out the final screen printing. In addition, hidden bags and leather goods accessories were found, ready to be incorporated into the final product before being sold.
- Delivery to the European markets were carried out by all possible **means of transport**, including small consignments handled through courier services.