

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

STARRED QUESTION NO:69  
ANSWERED ON:11.07.2014  
. COUNTERFEIT PRODUCTS  
Kateel Shri Nalin Kumar

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether the Government has taken note of counterfeit products/consumer goods manufactured in foreign countries being dumped into India causing huge losses to the domestic industries and also to the national exchequer, if so, the details thereof;
- (b) whether the Government has taken up/ proposes to take up the issue with the concerned authorities, if so, the details and the outcome thereof; and
- (c) the corrective measures taken/ being taken by the Government in this regard?

**Answer**

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF COMMERCE & INDUSTRY (SHRIMATI NIRMALA SITHARAMAN)

(a) to (c): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (c) OF THE LOK SABHA STARRED QUESTION NO. 69 FOR ANSWER ON 11TH JULY, 2014, REGARDING COUNTERFEIT PRODUCTS.

(a): A counterfeit good is an unauthorised imitation of a branded good. All imported goods in India are subject to domestic laws, rules, orders, regulations, technical specifications, environment and safety norms. These regulations are notified from time to time by Department of Revenue, Ministry of Finance, Director General of Foreign Trade (DGFT), Department of Commerce, Bureau of Indian Standards (BIS), Ministry of Law, Justice and Company Affairs, Directorate General of Anti-Dumping and Allied Duties (DGAD) etc. The Government takes appropriate action in case of goods imported from any source are found to violate these regulations.

In the last 5 years only 4 cases of dumping of consumer goods manufactured in foreign countries have been registered with Directorate General of Anti-Dumping and Allied Duties (DGAD). However, the fact of matter is that there are large imports of items which are prima facie non-essential. These imports include mobile phones, mobile phone accessories, set top boxes, Computer and computer parts, decorations, toys, ovens, air conditioners, laminated fabric, auto-parts, and headphones etc. The reason for such imports is the cost advantage and price competitiveness of foreign manufacturers.

(b): It is being realized that time has come to leverage the respective broad industrial bases and resource endowments of India and China to gain competitive advantage through attracting Chinese investments into India to redress the trade deficit. The higher level of Chinese investments in India will be instrumental in reducing the burgeoning trade deficits. An MoU has been signed on 'Cooperation on Industrial Parks in India' between Government of India and People Republic of China on 30th June 2014.

(c): Primary responsibility of preventing entry of counterfeit products into India lies with Indian Customs. The responsibility for investigating the complaints of manufacturing and trading of counterfeit products rests with the concerned State Police. Adequate provision exists in the various laws for dealing with counterfeit products and those who are engaged in the business of counterfeit goods. The Government of India has trade protection measures, as below:

i. Directorate General of Foreign Trade (DGFT) on review of imports from abroad from time to time decides to restrict/prohibit specific items from abroad. DGFT has taken following steps:

a. Government imposed prohibition on import of milk and milk products including chocolates and chocolate products and candies/confectionary/food preparations with milk or milk solids as an ingredient, from China and extended from time to time up to 23.6.2015.

b. Import of Toys is subject to certain quality standards. Toys not conforming to prescribed standards and specifications are not permitted to be imported.

c. Government imposed prohibition on the import of mobile handsets (mobile phone) without International Mobile Equipment Identity (IMEI) No. or with all zeros IMEI and import of CDMA mobile phones without Electronic Serial Number (ESN)/Mobile Equipment Identifier (MEID) or all zeroes ESN/MEID.

ii. Directorate General (Safeguards) can temporarily restrict import of products by imposition of additional duty or quantitative restrictions (QRs) if Indian industry is 'seriously injured or threatened with injury' caused by 'surge' in imports. This is an action in accordance with the WTO Agreements on safeguards.

iii. Directorate General of Anti-Dumping and Allied Duties (DGAD) conducts anti-dumping investigations and recommends imposition of duty, wherever appropriate, to the Department of Revenue by issuing its preliminary/final findings. Acting upon such recommendations of the DGAD, the Department of Revenue may impose the provisional or definitive duties.

iv. In the specific cases where customs detect import of fake/toxic goods, the said fake/ toxic goods are seized and penal action is initiated under the provisions of Customs Act, 1962 read with other Allied Acts.

v. Apart from these measures the Government of India is alive to the challenges of import surges and various unfair trade practices through available safeguard measures under WTO.