

Counterfeit clampdown affects logistics industry

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UAE authorities have urged the logistics industry to become more proactive in fighting counterfeit crime, following a series of high profile raids throughout the emirates.

Dubai Customs recently seized a significant amount of bogus medicinal drugs, valued at approximately US\$1.36 million, making it one of the largest counterfeit clampdowns in the region.



Bogus products: the Middle East's logistics industry is being urged to remain vigilant against the threat of counterfeit crime following a series of raids.

The discovery followed a raid at Dubai Cargo Village, where two containers were uncovered with over half a million 'PLAVIX' pills packed in approximately 20,000 boxes.

A series of laboratory tests proved the confiscated medicines were counterfeit. The shipment, which arrived from the Mauritius islands, was immediately seized and its importers were taken to court.

"The design of the medicine box, sold for Dhs 292 (\$79.5) in the market, was perfectly counterfeited. This is extremely dangerous and would have created confusion amongst the consumers," said Ahmed Butti Ahmed, director general of Dubai Customs.

"In addition, the composition of the fake drugs was totally different from the authentic medicine, manufactured by the French pharmaceutical company Sanofi-aventis, which owns the trademark," he added.

Only days after the incident at Dubai Cargo Village, a similar raid took place in Sharjah, where counterfeit cool gas compressors were discovered in a local warehouse.

Inspectors from the Emergency Inspection Committee of Sharjah Municipality confiscated several of the gas containers, which featured the trademark 'Panatonic' - a counterfeit of the original Panasonic brand. In addition, a large quantity of stickers was seized, featuring both the Panatonic and Panasonic trademarks.

"Our inspection in the industrial areas has led to the discovery of these gas compressors without trademarks. This is a direct violation of the Federal Law 4, which covers the subject of fake trademarks," said Fahad Al Shehail, manager of the consumer protection department, Sharjah Municipality.

The warehouse's operator, Shams Rubber Trading Company, was closed down following the confiscation and the compressors were transported into safe storage, as stipulated in the civil defence department's guidelines. "Our team was very effective in their inspection. As soon as they contacted the Emergency Inspection Committee in Sharjah Municipality, a report was made of the large amounts of fake compressors stored in dangerous conditions, which led to the immediate shut down of the company," added Al Shehail. "The company was further violating their trade licence by conducting activities over and above their original purpose, which is trading cars and vehicle spare parts."

These incidents have placed pressure on the logistics industry to increase its efforts in working alongside local authorities to prevent counterfeit crime.

Consultant companies in the Middle East, such as Xvise Innovative Logistics, have previously advised customers on the issue and believe the industry is willing to help authorities whenever possible.

"It would seem the time is right for supply chain managers and logistics service providers to take a more active role in fighting, or mitigating, this growing drag on corporate earnings and consumer risk," said Atif Rehman, consultant, Xvise Innovative Logistics.

"Virtually all counterfeit products somehow move through supply chains established for legitimate purposes. However, there are a number of options available for logistics managers to help to prevent such crime, some are complex and others are more straightforward."

Amongst the recommendations made by Rehman is enhanced inspection of labels, packaging and contents of items during the supply chain process. In addition, quality assurance processes and practices can be improved through greater collaboration with suppliers and consultants.

"The local governments have already taken steps, but the responsibility is not theirs alone. All of us need to get proactive with this problem and to improve our business processes to help mitigate it," said Rehman.

"Without a doubt, logisticians are already swamped with managing supply chains on a daily basis, keeping goods in motion and meeting customer needs. However, this problem could become worse unless action is taken. The rapid growth of the Middle East and the economic boom have attracted and will continue to attract several opportunists who want to make their fortune regardless of the risk or ultimate cost," he added.