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In a counterfeit world

By Doaa Soliman

A FEW months ago, Abdel-Hamid Hamza was rushed into Intensive Care at a local hospital after a severe heart attack. He was closely monitored for weeks and doctors struggled to find a reason for the sudden deterioration in his health, as the medicine he's been taking for years suddenly became 'ineffective'.

But doctors figured it out when Hamza told them that a friend had bought him the medicine for a cheaper price. This 57-year-old father of three was about to die because his cardiac medicine was counterfeited; it didn't contain the active ingredients.

"It looked and tasted just the same as what I've used for years," Hamza told the *Egyptian Mail*. "But when I used it, nothing happened. The pain increased until I went out cold."

Hamza is an Egyptian engineer, but the tragedy he suffered is just a part of a global problem called counterfeit products, which accounts for around 5 to 7 per cent of global trade, according to a report by the World's Customs Organisation (WCO).

The crisis of counterfeit products has been increasing since 1982, with the volume of illicit global trade jumping from \$5.5 billion per year to a massive \$705 billion in 2006, according to the report.

This market, which costs the world's economies billions of dollars annually, includes various products, from food-stuffs, medicine and cosmetics to machinery, spare parts, clothes and electronics.

"I can sell you this mobile for LE280," Mohasseb Attia, a salesman in an electronics shop in downtown said. "It's full-options with radio and TV. We usually sell it for LE350 but now it's on discount."

Attia sells this Chinese-made mobile, which contains an option from each international mobile producer, as a 'genuine invention of the Chinese', unaware of the fact that 70 per cent of the counterfeited products worldwide are made in China.

There are numerous ways of forging international brands, with two major approaches. In the first one, counterfeiters produce fake copies of the genuine products with the exact brand name and logo.

In the second, they create a logo or a brand name, which looks the same as the original one, except for one tiny difference in a letter or a symbol.

Falsified or copied products don't only harm economies, brand producers and consumers, but could jeopardise national security as well.

"We were in the airport when someone's luggage suddenly started smoking," Joseph Pieretti, an assistant Attaché in the US' Immigration and Customs Enforcement, told this paper at the first Brand Protection Conference, held recently in Cairo by the risk management consultancy, Risk Free.

"Everyone started panicking as they thought it was a bomb. It turned out the problem was caused by a forged electric circuit in the passenger's laptop in his suitcase."

Because of counterfeited products, the world's economies lose billions of dollars, with the American business institutions recording an average loss of \$200-\$250 billion per year.

"When producers lose, the economy loses and consumers lose as well,"

explained Ihab Youssef, the President of Risk Free, adding that no country can ever benefit from this industry.

"The people who forge goods don't care about health, quality or even lives; all these cowboys care about is money," Youssef said. "In Egypt there must be more efforts to stop them."

Although relevant statistics about this market in Egypt are impossible to find, experts and businessmen have many examples, which tell a lot about the situation in this most populous Arab country.

"I won't talk about those who forge our products primitively, as they are easily caught," said Tareq el-Sawi, Head of Investigations at General Motors Egypt. "What irritates me is how someone manages to use our brand name 'legally' on his products."

El-Sawi, looking heated, told conferees the story of a small businessman, who had the brand name 'GM - Egypt', registered in his name. It's the same brand name as the international General Motors. And not only does this businessman imitate the genuine products precisely, but he is also suing the original GM.

"We found his copied products in the Egyptian markets: the same appearance, colour and design as ours. I went to all the concerned offices, but they all said the same thing: 'His papers are legal'."

"I went to court to prove that he's been using our brand name, but guess what? He then filed a suit against us saying we've been using 'his' brand name," el-Sawi explained.

Away from producers, consumers are said to be the most affected by this business.

On the one hand, forgeries are of low quality, if not unhygienic or noxious, so they harm consumers directly. On the other hand, they harm the genuine product



File photo

INNOCENT VICTIMS: Many consumers don't realise they may be buying substandard commodities.

and its producer, decreasing job opportunities and tax payments.

In the Egyptian markets, you can find all sorts of counterfeited goods and, for the majority of people, it's very hard to differentiate between the fake and the genuine, especially when the first is being sold in upmarket shops and malls.

"While shopping in an upmarket mall, I found a bag with a very famous brand name. It was about half the usual price. It was still a fortune, but I bought it. When I saw a genuine one, I realised I'd been conned," Dina Ghali, a 28-year-old translator, recalls.

Dina and her friend saw the real McCoy in another shop. Dina immediately spotted the apparent difference in the material, shape and strength. But her friend didn't notice a thing.

"If I pay hundreds of pounds, at least I deserve to know whether what I buy is genuine or not," she says. "But I was deceived and those responsible should be punished."

In Egypt, there are no specialised laws to deal with such crimes. On the contrary, anyone found guilty is usually jailed for couple of months or fined around LE10,000 (less than \$2,000). These punishments are really quite feeble, considering the damage these swindlers cause.

At the end of the day, some products are really critical, especially drugs; perhaps as many as 10 per cent of all the medicines sold worldwide are fake. In Egypt, the figure is around 7 per cent and we need serious measures to punish those responsible.

"Something must urgently be done. This is a matter of life and death," Hamza said recalling his sad experience.