



For more information please email Helena.Conibear@aim-digest.com or Alison.Rees@aim-digest.com.

Bootleg a threat to life and health by Christopher Jarnvall

"Smuggling, bootleg and organised crime – a highly dangerous combination," was the topic of a seminar recently hosted by the Moderate Party in the Committee on Health and Welfare and led by MP Jan R Andersson (Moderate Party) in Sweden.

Laurie Sherwood, who works for the International Federation of Spirits Producers (IFSP) in London, an organisation which combats, among other things, counterfeiting of trademarks, was invited to speak and provided a picture of a global problem, which is steadily increasing by 5-6% a year.

Sherwood worked for the Criminal Investigation Department at Scotland Yard for thirty years before being hired by IFSP at the beginning of the 1990s to monitor and contribute to the fight against a branch of international organised crime that has developed great industrial capacity.

Because – as Jan R Andersson noted in his invitation – there are signs that organised crime may have already taken over control of the unregistered trade in alcohol in Sweden, which makes the topic highly relevant. Not least for Sweden's legislative assembly.

Alcohol Update had a conversation with Laurie Sherwood before the seminar.

Laurie Sherwood works with a global perspective. The manufacture of counterfeit products is spread all over the world, but has a strong base in Asia, Africa and parts of South America. It often constitutes a source of financing for international terrorism. When Laurie Sherwood was a police officer, he worked a lot in Northern Ireland and discovered that Irish terrorists often financed their purchases of weapons by selling bootleg alcohol.

When it's not about supporting international terrorism, it's 'only' a matter of a global crime being committed. The alcohol production includes everything from small-scale, individual operations to full-scale industries. It is estimated that the market is growing by 5-6% a year and has a current value of 450 billion USD.

High percentages of methanol are often found in bootleg. The content can be up to 4-5%, enough to render the consumer blind. It has also proven to be difficult to detect some of the counterfeits. The smugglers often mix genuine products with the fake ones to dupe consumers.

The drawbacks for society are many. "Everyone ends up losing here," emphasises Sherwood. "Because it's a matter of illegal trading, the state loses revenue and the companies

lose legal market share. But worst of all is that this kind of crime is increasing and that those who consume bootleg put their health and possibly lives at risk. Then the state bears the healthcare costs..."

It is estimated that around 1,000 people die each year as a result of drinking bootleg.

So what's happening in Sweden and Scandinavia? Sherwood tells us how fake whisky has been traced to Sweden, Norway and Denmark, among other places, with the help of labels and bottles. These were products which came all the way from India, Colombia and Cameroon... "Expensive countries are especially vulnerable and it would be surprising if Sweden could avoid this."

But at the same time we can see that smuggling also affects countries in Europe which have significantly lower alcohol prices than Sweden... So is this really just a matter of cost?

"In my opinion," says Sherwood, "this is how it is: The higher the price of a product, the larger the market for cheap fakes. But you can't just regulate this with tax reductions; it has to be done in combination with increased efforts by customs and police".

So how does IFSP work to fight the trade in counterfeit alcoholic products? Laurie Sherwood gives us an example from Great Britain "When we have made inspections of restaurants and bars, it has turned out that about 10% of the places selling alcohol have counterfeit products in their selections. When we stepped up the inspections, that share dropped to 2-3%."

But the hunt for the forgers is often not so much about the expectation of catching all those who are active at the source of the crime. That chance is, unfortunately, often very small, even if there are examples of it happening. The trade flows across borders are also incredibly difficult to follow. First and foremost it's about disrupting the illegal market with inspections in order to try and punish some peddlers, and maybe even producers, so that the criminal gangs eventually find the price they pay to deal in bootleg too high.

Laurie Sherwood concluded: "The EU governments have identified the problem," he says. "The laws are in place, but then maybe not as much is done to fight this kind of crime as you'd wish... It will be tough to stop this type of crime, but it's important that the police and customs are given the opportunity and means to prioritise the problem."

Source: ALCOHOL UPDATE, For more information Email: Christopher@restuta.se