

4 Containerships and global trade in fake products – the Evidence

This chapter presents quantitative evidence on the misuse of containerships in the trade of counterfeit and pirated goods across global markets. While the challenges of intercepting counterfeit products transported in containers are significant, shipments of counterfeits are nevertheless intercepted by authorities.

As indicated earlier, counterfeiters are using a number of techniques to escape prosecution i) by covering infringing trademarks and then removing the covering after the counterfeit goods have cleared customs, ii) by shipping infringing trademarks separately from goods and iii) by hiding counterfeit items in ways that make them virtually impossible to detect. With respect to legislation to facilitate enforcement in such instances was introduced in the United States in December 2019. If enacted, customs authorities would be given discretionary power to enforce recorded US design patents; this would enable seizure of covered items, even if there were no trademark infringement.

Where do we source our information?

Customs seizures of IP-infringing goods

All information concerning trade in counterfeit and pirated trade comes from the OECD database on customs seizures (OECD/EUIPO, 2019) (see Box 4.1 for more details).

The descriptive analysis of the dataset of customs seizures presented in the OECD-EUIPO study identified 184 provenance economies¹² of counterfeit and pirated products between 2014 and 2016, as compared to 173 for the 2011-13 period (OECD/EUIPO, 2019). The study also noted that some modes of transport tend to dominate the others in terms of the total number of seizures. In addition, some provenance economies may specialise in certain modes of transport, types of goods.

The analysis carried out in the present study highlights some important measurement and data-related issues.¹³ Even though the information on counterfeit and pirated trade has improved significantly in recent years, more can be done to improve and expand information on this phenomenon. In the EU, for example, data collection focuses on seizures done at the external borders. Consequently, the information on the production of fakes within the EU for the internal market and on the circulations of fakes within the EU is less precise.

Box 4.1. The OECD database on seized counterfeit and pirated products

The database on customs seizures is the critical quantitative input to this study. This database brings together data from three separate datasets: the European Commission's Directorate-General for Taxation and Customs Union (DG TAXUD) the US Customs and Border Protection (CBP) and the World Customs Organization (WCO). The database includes detailed information on seizures of IP-infringing goods made by customs officers in 99 economies around the world between 2011 and 2016. For each year, there are more than 100 000 observations in the database; in most cases, each individual observation corresponds to one customs seizure.

The database contains a wealth of information about IP-infringing goods that can be used for quantitative and qualitative analysis. In most cases, for each seizure the database details: the date of seizure, the mode of transport of the fake products, the departure and destination economies, the general statistical category of the goods seized and a detailed description of the goods, the name of legitimate brand owner, the number of products seized and their approximate value.¹⁴

For more information on the OECD database see OECD/EUIPO (2019).

Importantly, the main goal of this exercise is to understand the nature of misuse of containerships in the global trade in counterfeit and pirated goods. Given the dynamic character of trade flows in containerships, more research and more data are needed to fully understand some additional dimensions.

Data on containerships trade

The data for trade via container ships is based on specialized datasets on maritime trade volumes and values. Several databases are used in this analysis, including:

- OECD International Transport Forum (ITF) database,
- Eurostat Comext,
- Indices on containerized maritime transport developed by UNCTAD (United Nations Conference of Trade and Development).

The first source of data is the OECD International Transport Forum (ITF, 2020), which collects on an annual basis data on investment and maintenance spending on transport infrastructure from all its member countries. Data are collected from Transport Ministries, statistical offices and other institutions designated as official data sources. This database includes two variables that are useful for the economic analysis: the value of maritime port infrastructure investment and the weight of exports through maritime containers transport by year for numerous economies worldwide.

The second source of data is the Eurostat's reference database for detailed statistics on international trade in goods: Comext (Comext, 2020). It provides access not only to data of the EU and its individual Member States but also to statistics of a significant number of non-EU countries. This includes notably information on the volume and value of trade in genuine goods by economies, mode of transports and type of goods.

Last, the analysis employs three indices on containerized maritime transport developed by UNCTAD (United Nations Conference of Trade and Development), including Liner shipping connectivity indices (LSCI), and container-port traffic index.

The LSCI indices are composite measures based on six components, each one capturing a dimension of a country's or port's "connectivity". These dimensions include:

- The number of carriers that provide services from and to a specific port or ports in a specific economy. The more companies are active in given economy (or port), the more choice of transport is offered and the more connected this economy (or port) becomes.
- The size of the largest ship that is deployed to provide services in the analysed port or analysed economy. This captures maximum capacity of the port, and hence proxies its infrastructure, accessibility and equipment.
- The number of direct services that connect to other economies.
- The total number of ships that are deployed on services to serve analysed port(s).
- The total container carrying capacity of the analysed port(s).
- The number of other economies that are connected to the country through direct liner shipping services.

The LSCI indices are calculated for both individual ports and economies. LSCI indices are based on private data, sent by liner shipping companies. These aggregated indicators are constructed for individual ports, and whole economies. In this study, two LSCI indices are used:

- Port LSCI, which presents connectivity of individual ports in an economy.
- Bilateral LSCI, which indicates a country pair's integration level into global liner shipping networks.

In addition, the analysis also uses UNCTAD's container port traffic index. This index measures the flow of containers from land to sea transport modes and vice versa. This index is constructed for individual ports, relative to the port with the most intense traffic.

Regarding both types of indices – LSCI and the container port traffic index – the general rule of thumb is that economies with high values are actively involved in containerized trade. Consequently, China usually ranks on top. Other large trading economies such as the United Kingdom, Germany, Korea, the United States, and Japan rank among the top 15, along with significant transshipment economies such as the United Arab Emirates, Hong-Kong (China) and Singapore.

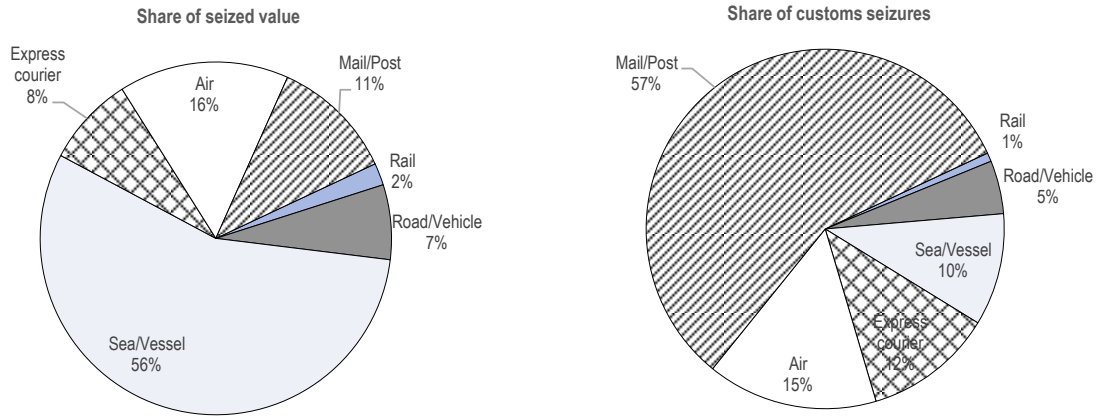
Trade in counterfeits in container ships -- overall picture

The OECD/EUIPO study (2019) showed that virtually any economy could be the provenance of counterfeit and pirated trade. While the scope of provenance economies is broad, the raw seizures statistics also show that interceptions originate from a relatively concentrated set of provenance economies. In other words, some economies tend to dominate the global trade in counterfeit and pirated goods.

The highest number of counterfeit shipments being seized from 2014 to 2016 originated in East Asia. China and Hong-Kong (China) have been dominating global trade in counterfeit goods during the 2014-16 period, as well as during 2011-13. India, Malaysia, Mexico, Singapore, Thailand, Turkey and the United Arab Emirates remain among the top provenance economies for counterfeit and pirated goods traded worldwide within the two periods.

A review of data highlighted that while the highest number of customs seizures of counterfeit and pirated products concern postal parcels (OECD/EUIPO, 2018b), sea/vessel transport is the most concerned one in terms of seized value (Figure 4.1). Between 2014 and 2016, an average of almost 56% of the value of customs seizures of IP-infringing goods worldwide concerned sea shipments. Mail/express couriers and air transport followed, with slightly more than 19% and 16% of the value of seizures respectively. Finally, the value of seizures concerning vehicle transport amounted to about 7%. Other conveyance modes of counterfeit product, such as products carried by pedestrians or by rail, reported negligible shares.

Figure 4.1. Conveyance methods for counterfeit and pirated products, 2014-16

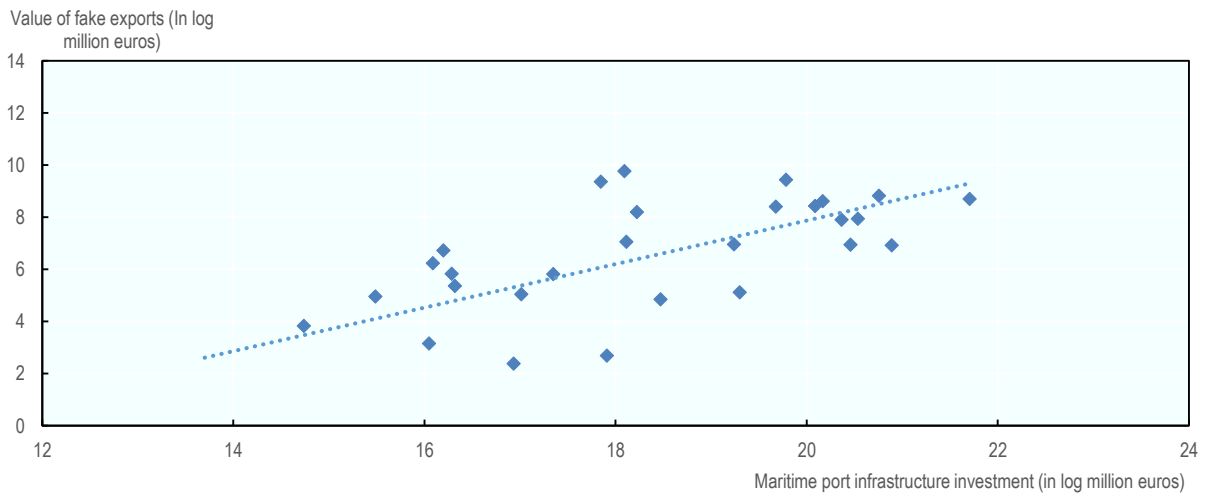


Source: OECD/EUIPO, 2019

A general, aggregated picture of the misuse of containerships in the global trade in counterfeits can be drawn based on the matching of the OECD database on customs seizures of IP-infringing products and data on the value of infrastructure investment and the volume of maritime transports provided by the OECD ITF.

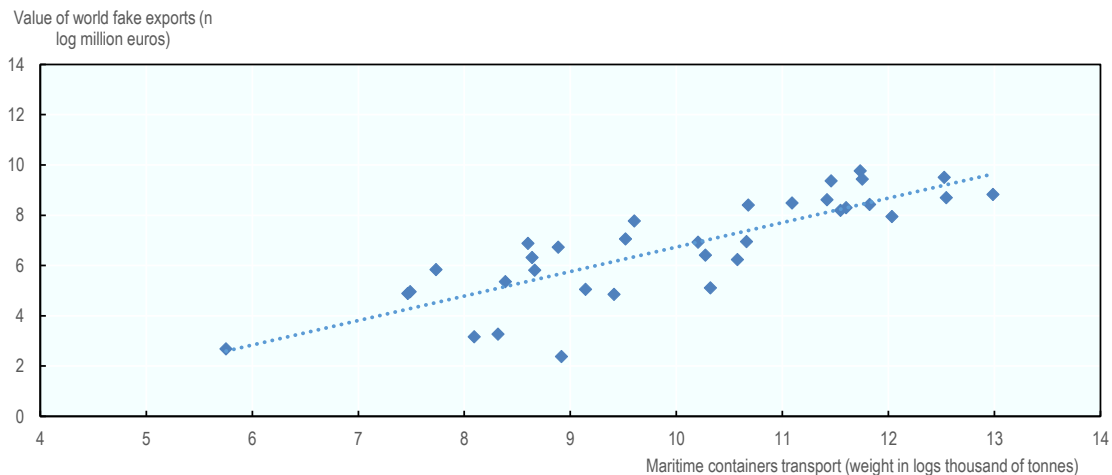
Figure 4.2 indicates that the value of a provenance economy’s maritime port infrastructure investment is positively correlated with the volume of its exports of fakes. Similarly, the weight of exports through maritime containers transport of a provenance economy is correlated with its value of exports in fake goods (Figure 4.3). In both figures, one point corresponds to the situation of one economy in 2016. In other words, economies with large production capacities and more developed infrastructures for handling, report higher levels of exports of counterfeit and pirated products.

Figure 4.2. Value of exports of fakes against the value of maritime port infrastructure investment by provenance economy. 2016



Sources: OECD database and ITF (2020).

Figure 4.3. Value of exports of fakes against the value of maritime containers transport (weight) by provenance economy. 2016.



Sources: OECD database and ITF (2020).

Of course, such initial checks are likely to suffer from numerous biases. For example, these simple cross-sectional comparisons of legal and illegal dispatches by containers might be partially affected by the size of the country. This is why, a more detailed analysis based on disaggregated data by product category is needed to shed more light on the trends in counterfeit and pirated trade.

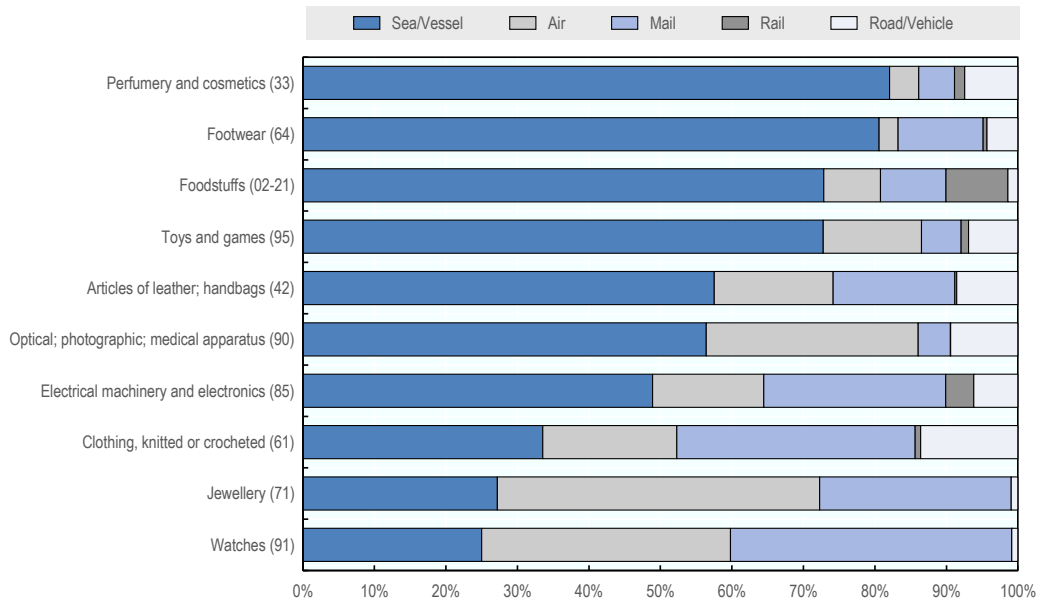
Types of fake goods more susceptible to be shipped by containers

Looking at details for the few most IP-intensive and tradable product categories, ¹⁵ figures confirm that the majority of the number of global customs seizures of IP infringing goods occurred through small parcels, that is through postal or courier routes and solutions (see OECD/EUIPO, 2018b) from 2014 to 2016. However, sea shipments clearly dominated in terms of the global value of fake goods seized worldwide for the large majority of them (Figure 4.4).

More specifically, Figure 4.4 below shows that, between 2014 and 2016, 82% of the seized value of counterfeit perfumes and cosmetics by customs authorities worldwide, 81% of the value of fake footwear and 73% of the value of customs seizures of fake foodstuff and toys and games concerned sea shipments. This is also the case for 58% of the global value of customs seizures of counterfeit leather articles and handbags, and 57% of fake optical, photographic and medical apparatus (including sunglasses).

Figure 4.4. Value of counterfeits seized by transports modes across selected IP-intense product categories, 2014-16

As percentage of the total value of IP-infringing goods seized worldwide by product category

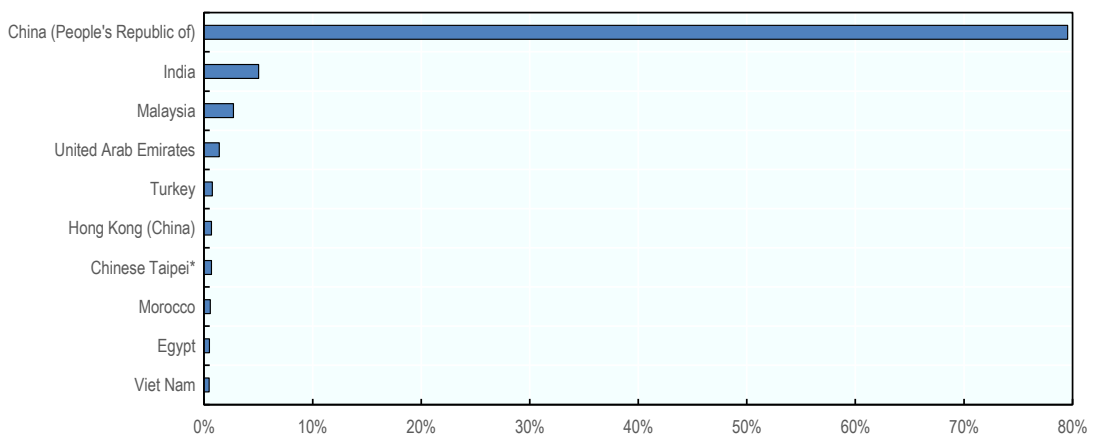


Source: OECD database

Provenance economies of containers containing fakes

The key provenance economies of seized counterfeit products shipped by sea transports are reported in Figure 4.5. The People's Republic of China appears as the largest provenance economy for container shipments, being the origin of 79% of the total value of maritime containers containing fakes seized worldwide. It is followed by India (5%), Far East Asian economies (Malaysia, Viet Nam and Pakistan, 3.6% in total), the United Arab Emirates (1.4%), Turkey (0.8%), Hong Kong (China) and Chinese Taipei (0.7% each) and North African economies, such as Morocco and Egypt (0.5% each).

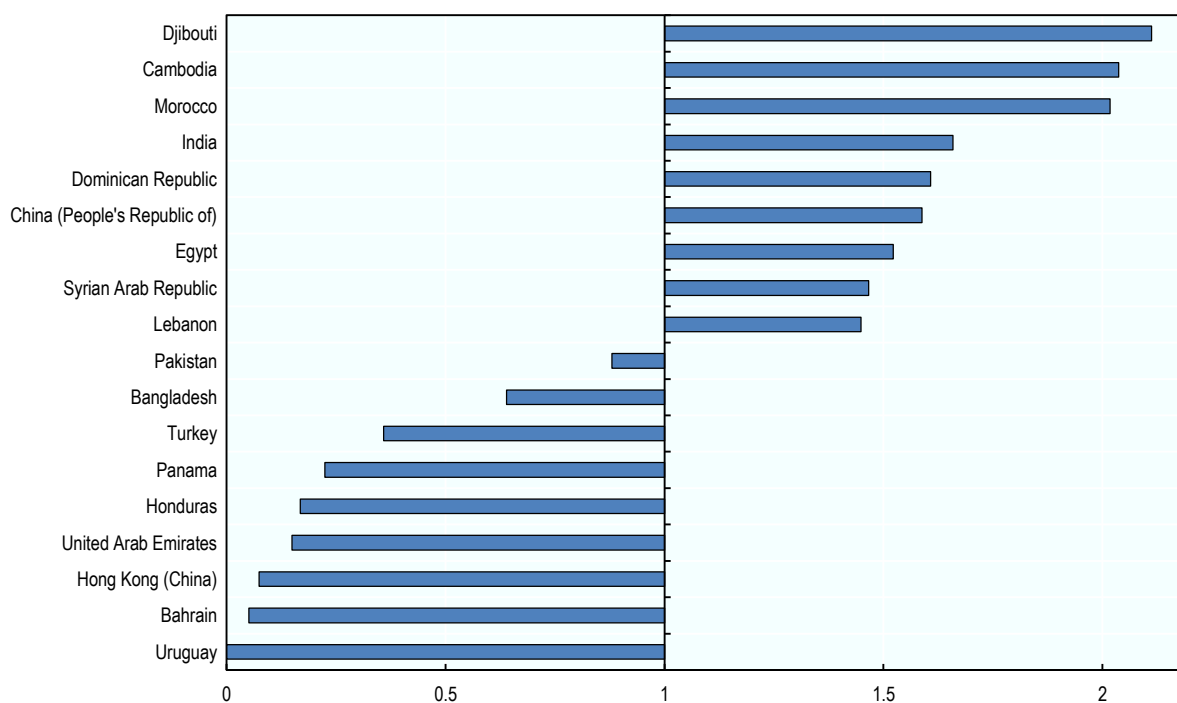
Figure 4.5. Top 10 provenance economies in the value seized maritime containers transporting counterfeits, 2014-16



Source: OECD database

Figure 4.6 presents the ratio of percentage of container seizures in a given economy to the average percentage of containers seizures across the top 20 provenance economies.¹⁶ This ratio shows the relative intensity of exports of fakes in containers from key provenance economies, as opposed to other potential modes of transport. The results indicate that in some economies criminals are more likely to misuse maritime transport for exporting counterfeit goods. The countries where the ratio is particularly high are the Djibouti, Cambodia, Morocco, India, and China, respectively. For instance, in Djibouti and Cambodia, the seizures by containers are almost 2.1 and 1.9 times higher than on average.

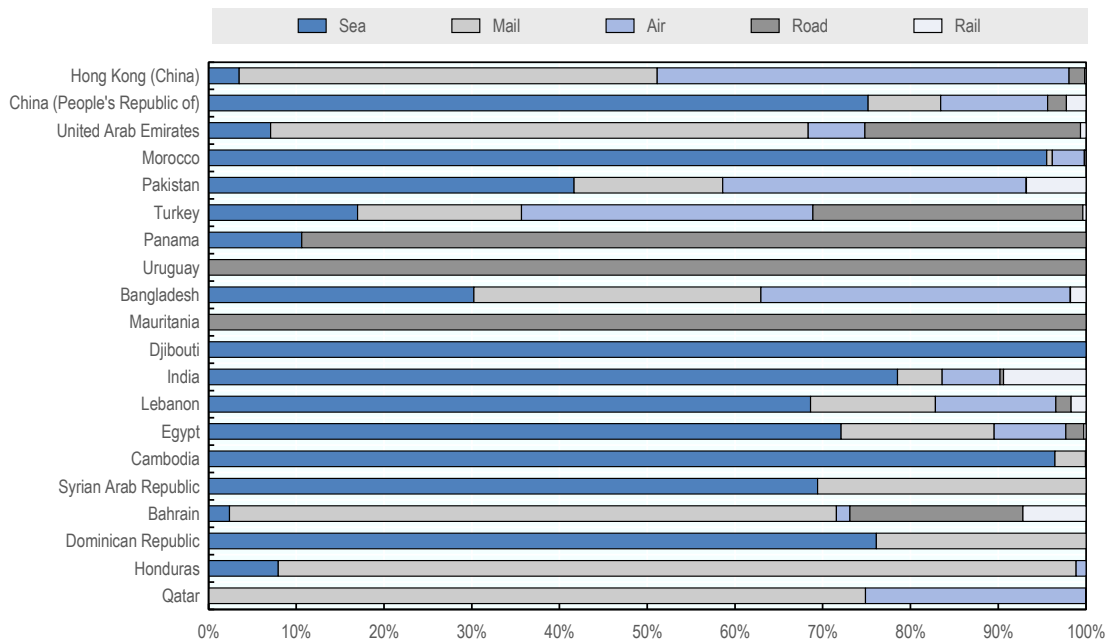
Figure 4.6. Economies most likely to use containers for exporting fake goods among the top 20 provenance economies in terms of their propensity to export counterfeit goods (GTRIC-e, average 2014-16)



Source: OECD database

Figure 4.7 lists the transport modes used by top provenance economies for exporting fake goods. In some provenance economies, like Morocco or Djibouti, containers are the preferred mode for exporting counterfeit products. In India and China, around 78% and 75% of the value of export counterfeit goods is sent by sea. However, in other provenance economies, e.g. Hong Kong (China), the share of export of fakes by the containers is relatively low (equal to 5%) and postal shipments are the preferred mode for exporting fake goods.

Figure 4.7. Share of the value of fake exports by transport mode for the top 20 provenance economies of fake goods in terms of GTRIC-e (average 2014-16)



Source: OECD database

Industry-specific analysis

Regarding industry-specific patterns, as described in the section above, container ships are commonly used by counterfeiters in many industry sectors prone to counterfeiting. However, there are some product categories where counterfeiting is a particularly big problem. For example, in terms of value, for many industry sectors including perfumery and cosmetics; articles of leather; toys and games, value of seized fakes smuggled with containerships exceeded 50% of total value of seizures (see figure 4.4. above). This subsection looks more specifically at those sectors that seem to suffer the most from counterfeiting, involving the misuse of containerships. The analysis is carried out in sectors where data of sufficient quality are available. These sectors include: perfumery and cosmetics; leather articles; clothing, electronics and electrical equipment; toys and games. The total value of counterfeits smuggled with containers, as a proportion of the total value of illicit trade in fakes in these sectors, ranged between 35% (clothing) and almost 85% (perfumery and cosmetics).

The main source of data for the industry-specific analysis of major provenance countries is the OECD database of counterfeit seizures. Usually, each seizure indicates the provenance country which may be either the country where the counterfeit product has been produced or the last country of its departure, if custom authorities are not able to establish the origin of the counterfeit good. This poses some important limitations that make it difficult to distinguish between producers and transshipment countries and reconstruct major trade routes of counterfeit products. The UNIDO INDSTAT database has been used as an additional data source to verify legitimate productive capacity of the major provenance countries of the counterfeit goods in each product category.

Both, the absolute output of legitimate products and revealed comparative advantage indicators (RCAP-e) in the production in each product category for the major provenance countries have been analysed to ascribe most probable role of each country in the trade of counterfeit products.¹⁷

The detailed findings of the analysis are presented in the subsections below, while Table 4.1 summarizes the key findings.

Table 4.1. Key producers and transit points in illicit trade in fakes in containerships, in five main targeted industries (2016)

Industry	Identified potential producers of fakes trades with containerships	Identified potential transit points in illicit trade in fakes with containerships
Perfumery and cosmetics	China, India, Malaysia	United Arab Emirates
Leather articles and handbags	China, Malaysia, Morocco, Thailand, India, Turkey	Hong Kong [China]; United Arab Emirates
Clothing	China, Malaysia, India	Hong Kong [China]; United Arab Emirates
Electronics and electrical equipment	China, Malaysia	Hong Kong [China]; United Arab Emirates; Malaysia
Toys and games	China, Malaysia, India	Hong Kong [China]; United Arab Emirates; Singapore

Note: Data source: Eurostat table mar_go_qm_c2016 Volume of containers transported to/from main ports. Table 4.31 presents inward flow of total number of containers (loaded and empty) from five major counterfeit provenance countries: China, Hong Kong (China), Singapore, United Arab Emirates and Turkey. For the table quarterly data has been aggregated to annual figures.

Source: Authors' calculations based on OECD database.

The results highlight that for all five analysed sectors, China is the main producer of fakes that are then transported with containerships; Malaysia and India play minor roles. In addition, Turkey also plays some role, especially when it comes to production destined for the EU markets.

The networks of global liner operators are based on traffic circulation through strategic transshipment hubs, which play a crucial role in the extensive hub-feeder container system. Singapore and Hong-Kong (China) play important roles in this system, accounting for 50 per cent of all ports activity in 2006, up from 39 per cent ten years earlier (Ducruet and Notteboom, 2012)

Perfumery and cosmetics

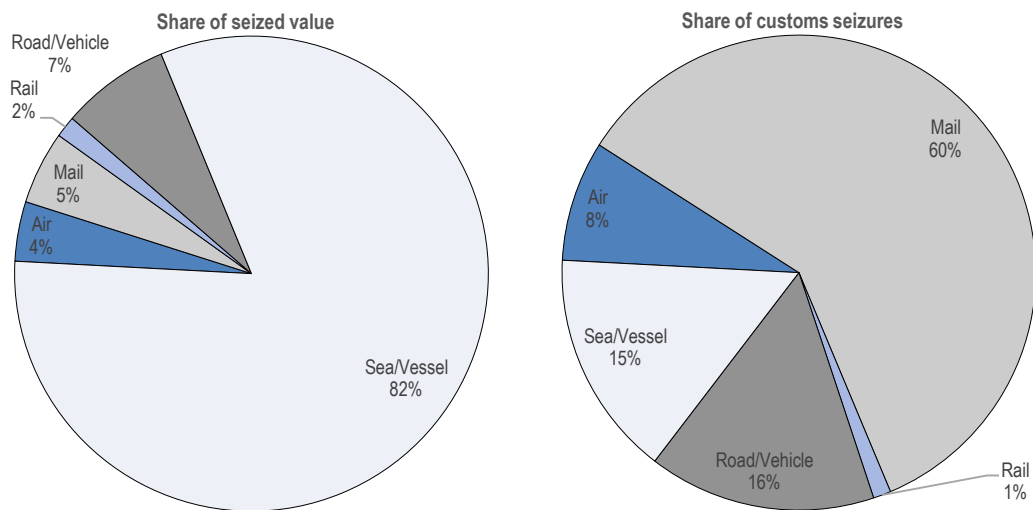
Overview

The perfumery and cosmetics industry refers to products in the HS 33 product category. Over the period 2014-2016, there are various examples of counterfeit perfumery and cosmetics recorded in the OECD database of customs seizures, such as counterfeit make-up, creams, aftershaves, shampoos, luxury perfumes, nail sets, and even toothpaste and toothbrushes. In some cases, these counterfeit products are unsafe and can thus pose a serious health threat to consumers.

According to calculations in the OECD-EUIPO (2019) study, global trade in counterfeit perfumery and cosmetics was valued at up to USD 5.3 billion (EUR 4.9 billion) in 2016. This represents 4.7% of global trade in perfumes and cosmetics, placing the industry in the top 15 most affected by global counterfeiting and piracy in terms of value.

The analysis of the value of customs seizures reflects that the value of shipments made by sea was by far the largest as compared to others shipment modes (82%, Figure 4.8, right panel). In terms of the number of customs seizures, the largest share of shipments of counterfeit perfumery and cosmetics was by mail, accounting for 60% of the total number of global customs seizures of infringing perfumes and cosmetic preparations (Figure 4.8, left panel). Containers ranked third (15%), just behind road transport (16%).

Figure 4.8. Shipment methods for seized counterfeit perfumes and cosmetics, 2014-2016

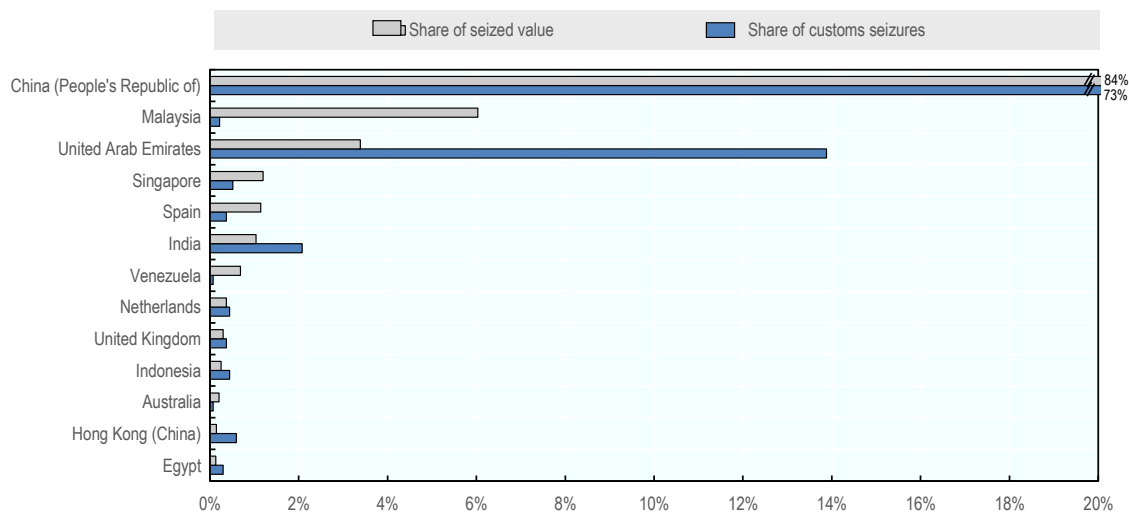


Source: OECD database

The People's Republic of China, Malaysia, the United Arab Emirates are the most important sources of counterfeit perfumery and cosmetics seized worldwide and shipped by containers (Figure 4.9). However, the People's Republic of China clearly dominates, being the source of 84% of fake perfumes and cosmetics exported throughout the world by containers.

Analysis of the productive capacity of the major provenance economies of counterfeit perfumes and cosmetics indicates that China, India and Malaysia may be the major producers of the counterfeit products, while the United Arab Emirates is the major transshipment hub through which those products are shipped to final destinations.

Figure 4.9. Provenance economies of seized containers containing perfumes and cosmetics, 2014-16



Source: OECD database

Cross features

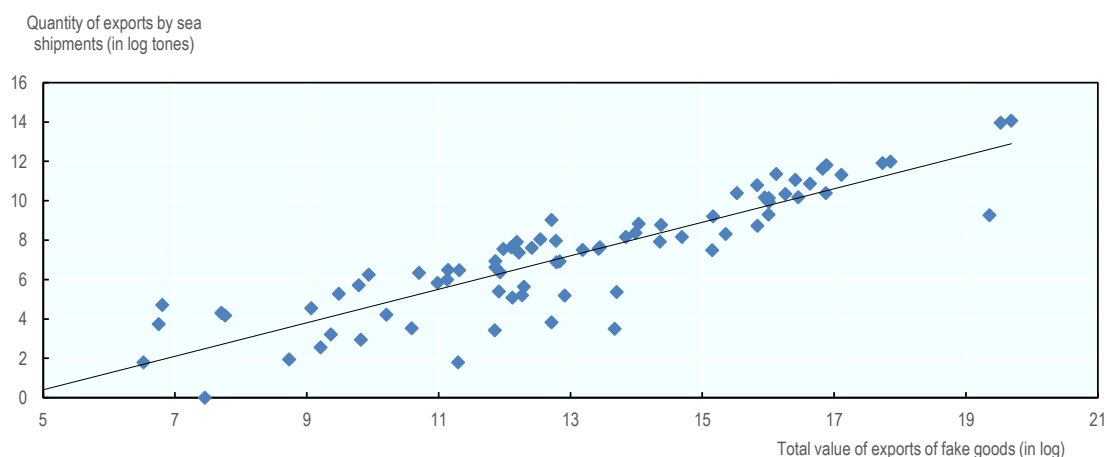
The legal flows of perfumes and cosmetics exported from a given provenance economy by containers can be compared with the value of fake perfumes and cosmetics shipped from that economy.

Figure 4.10 and Figure 4.11 plot the quantity of total exports of perfumes and cosmetics shipped from each extra-EU provenance economy to each EU member state by containers in 2016 against the value of counterfeit and pirated goods shipped from/to the same economies by (i) all transport modes confounded, (ii) only sea shipments, respectively.

Both exercises result in positive correlations that in both cases are statistically significant. It means that in general all trade flows in cosmetics and perfumes are to some degree “polluted” with counterfeit goods.

Figure 4.10. Counterfeit perfumes and cosmetics: quantity of total exports by containers against total value of seizures of fake goods, 2016

By each EU destination economy and extra-EU provenance economy pair

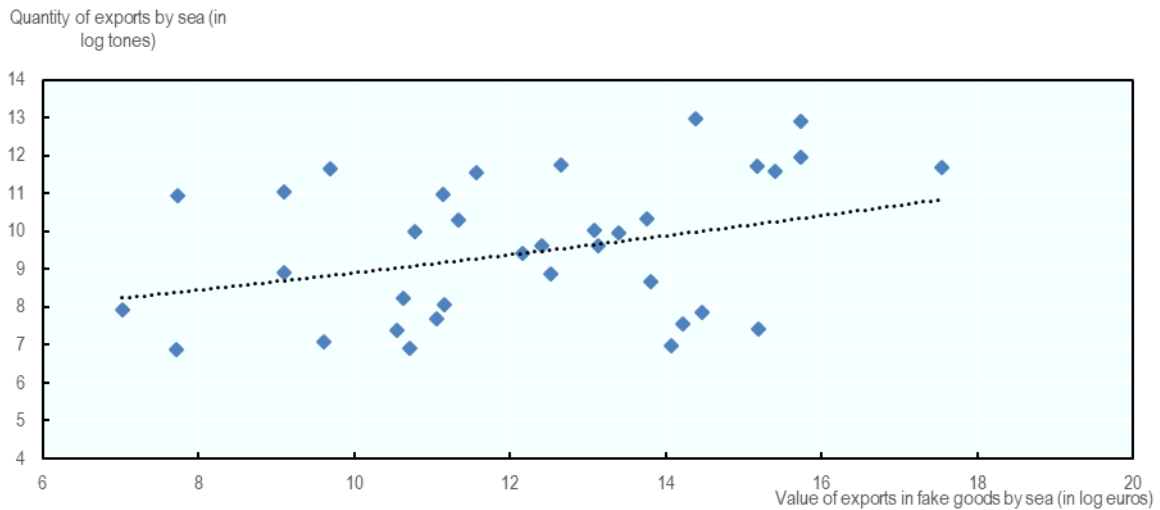


Note: One point corresponds to the flow of exports from a single provenance economy to a single EU destination economy in 2016.

Sources: OECD database and Comext (2020).

Figure 4.11. Counterfeit perfumes and cosmetics: quantity of legal exports by containers against value of seizures of fake goods by containers, 2016

For each EU destination economy and extra-EU provenance economy pair



Note: One point corresponds to the flow of exports from a single provenance economy to a single EU destination economy in 2016.
Sources: OECD database and Comext (2020).

Leather articles and handbags

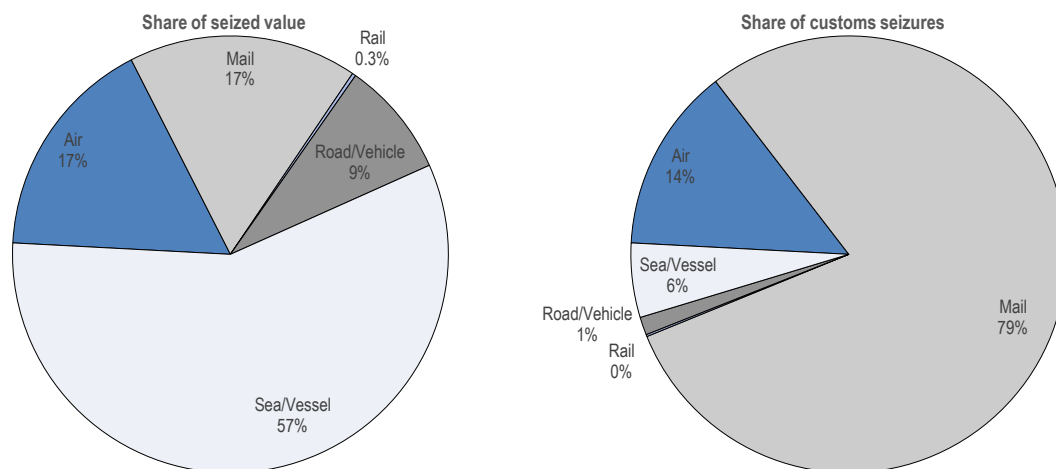
Overview

The leather articles and handbag industry refers to products in the HS 42 product category. This category notably includes articles of apparel and footwear accessories made of leather or of composition leather as well as trunks, suits, cameras, jewellery, cutlery cases, travel, tool and similar bags wholly or mainly covered by leather, composition leather, plastic sheeting or textile materials.

According to calculations for the OECD-EUIPO (2019) study, global trade in counterfeit articles of leather and handbags was up to USD 8.5 billion (EUR 7.7 billion) in 2016. This represents more than 12.3% of the total trade in leather articles and handbags and makes the industry the second most affected by global counterfeiting and piracy in terms of trade percentage (after footwear, see next subsection).

Over the period 2014-16, the largest share of the value of seized shipments of counterfeit articles of leather and handbags was sent by containers (57%, Figure 4.12, left panel). This is the case even if postal shipments dominate in terms of the number of seizures (79%, Figure 4.12, right panel).

Figure 4.12. Shipment methods for seized counterfeit articles of leather and handbags, 2011-13

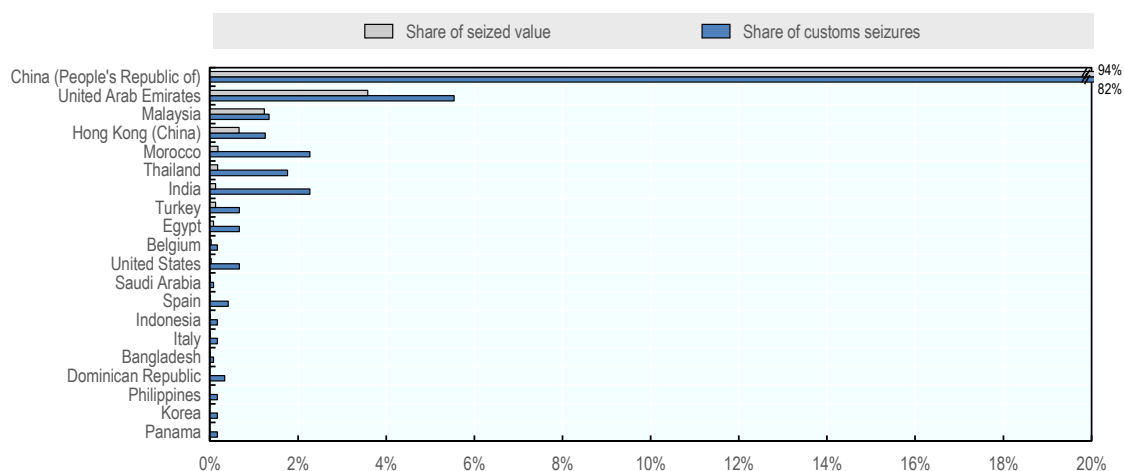


Source: OECD database

China was the main source of counterfeit leather articles and handbags shipped worldwide by sea shipments. It was followed by the United Arab Emirates, Malaysia, Hong Kong (China), Morocco, Thailand, India, and Turkey, respectively (Figure 4.13).

Analysis of the productive capacity of the major provenance economies of leather articles indicates that China is a major producer of counterfeit leather articles, with Malaysia, Morocco, Thailand, India and Turkey playing also some role in the production of leather counterfeit goods. United Arab Emirates and Hong Kong (China) are the most important transshipment hubs of leather products.

Figure 4.13. Top provenance economies of sea shipments containing counterfeit leather articles and handbags, 2014-16



Source: OECD database

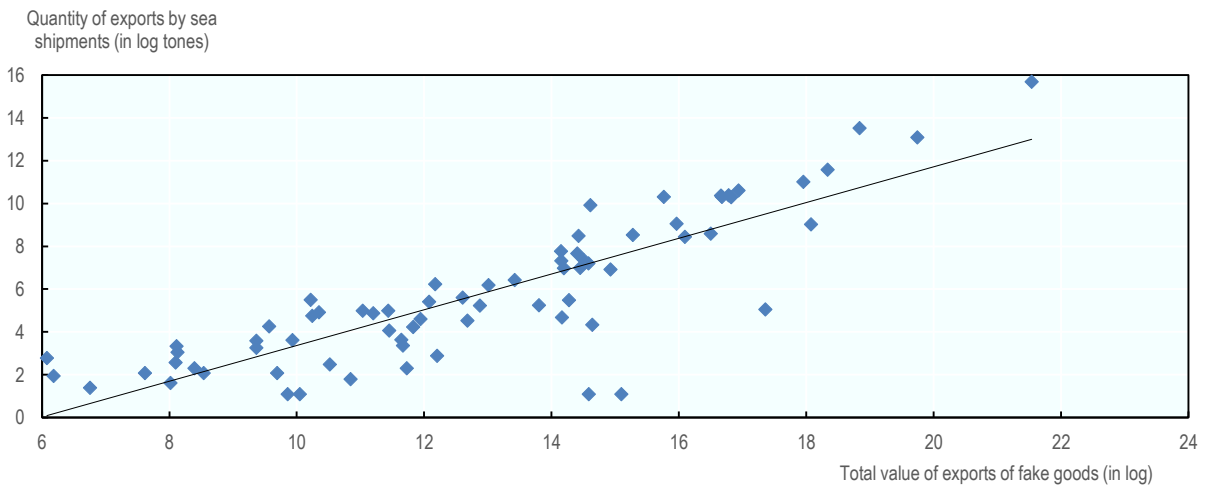
Cross features

The legal flows of articles of leather and handbags exported from a given economy by containers can be compared with the value of fake leather articles and handbags shipped from that economy.

Figure 4.14 and Figure 4.15 plot the quantity of genuine articles of leather and handbags shipped from each extra-EU provenance economy to each EU member state by containers in 2016 against the value of counterfeit and pirated articles of leather and handbags shipped from/to the same economies by (i) all transport modes confounded, (ii) only sea shipments, respectively. These checks show positive and statistically significant correlations. It indicates that on average all trade flows in leather articles and handbags contain counterfeit goods. Counterfeiting is a universal threat to all markets for these products.

Figure 4.14. Counterfeit leather articles and handbags: quantity of legal exports by containers against total value of seizures of fake goods, 2016

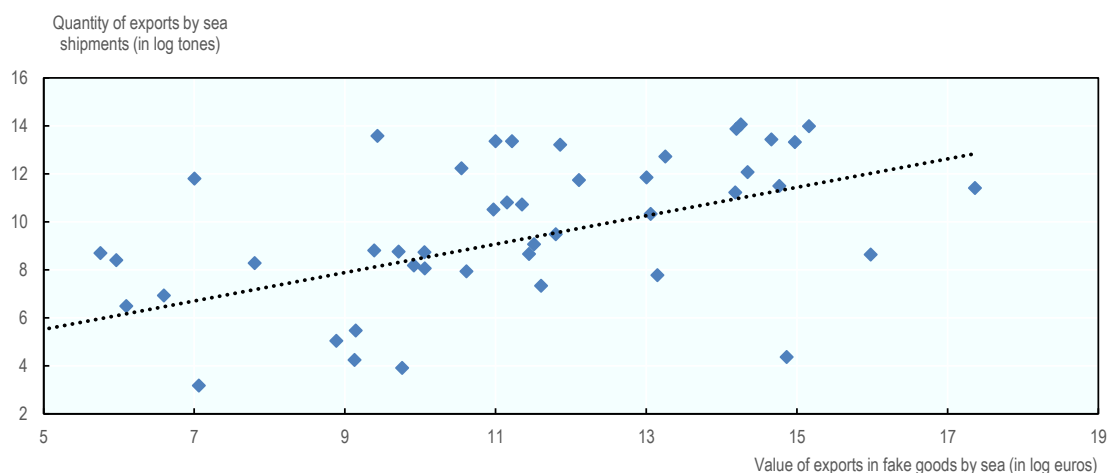
By each EU destination economy and extra-EU provenance economy pair



Note: One point corresponds to the flow of exports from a single provenance economy to a single EU destination economy in 2016.
Sources: OECD database and Comext (2020).

Figure 4.15. Counterfeit leather articles and handbags: quantity of legal exports by containers against value of seizures of fake goods by containers, 2016

By each EU destination economy and extra-EU provenance economy pair



Note: One point corresponds to the flow of exports from a single provenance economy to a single EU destination economy in 2016.
Sources: OECD database and Comext (2020).

Clothing

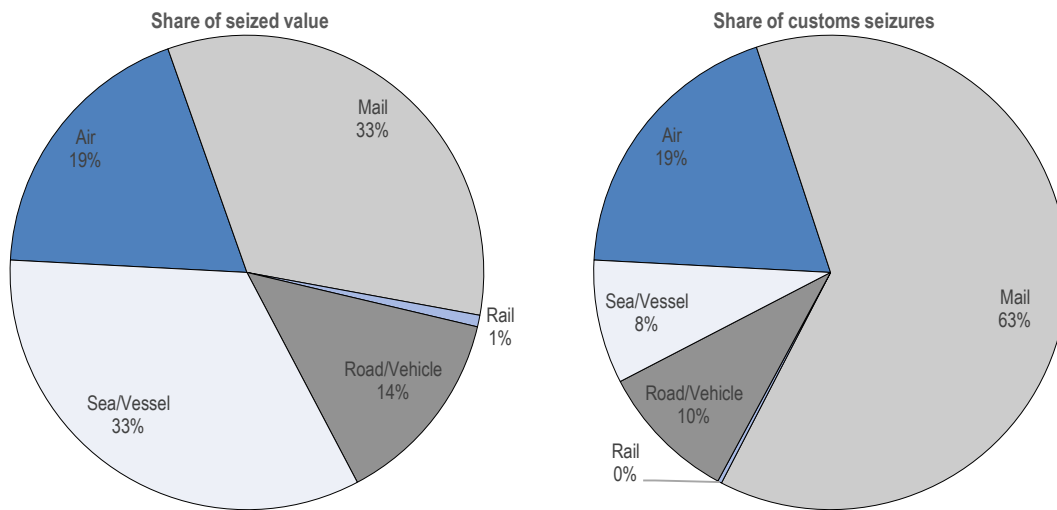
Overview

The clothing industry refers to products in the HS 61 product category, and mainly includes shirts, blouses, coats and suits.

According to calculations for the OECD-EUIPO (2019) study, global trade in counterfeit clothing was up to USD 24.8 billion (EUR 22.5 billion) in 2016. This represents more than 13.1% of global trade in footwear and ranks the industry as the most significant one affected by global counterfeiting and piracy in relative terms (i.e. as a percentage of world imports within the product category) and fourth in terms of value.

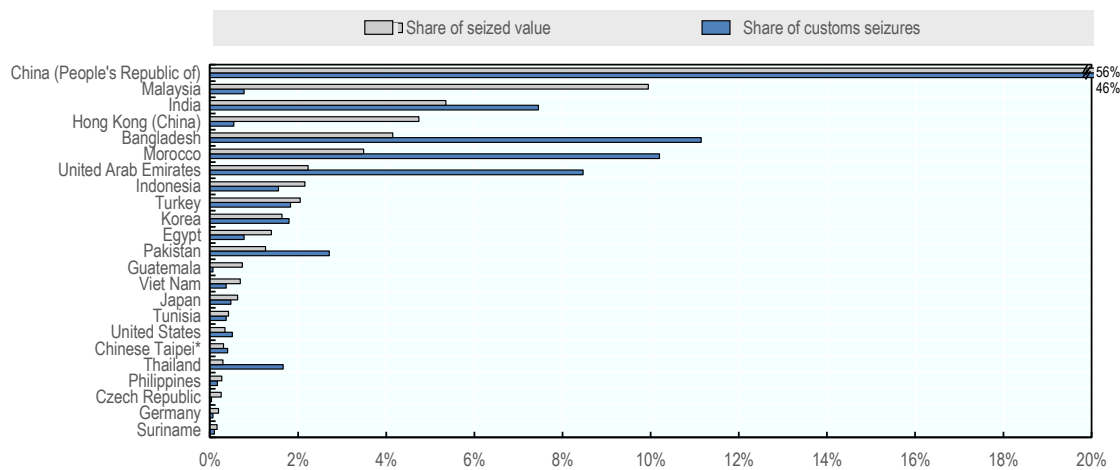
The analysis of the value of customs seizures reflects that the value of shipments made by sea was the largest in the total value of shipments of IP-infringing clothing (33%, Figure 4.16, left panel). However, most of seizures of counterfeit clothing were effectuated while goods were transported by mail (63%, Figure 4.16, right panel). Smaller shares went by air (19%), road (10%) and sea (8%).

Figure 4.16. Shipment methods for seized counterfeit clothing and textile fabrics, 2011-13



The People’s Republic of China is the main producer and exporter of counterfeit clothing shipped by sea, followed by Malaysia and India. Then come Hong Kong (China), Bangladesh, Morocco, Indonesia, the United Arab Emirates and Morocco. All those countries have important productive capacity as regards clothing so they may be the source of production of counterfeit clothing goods. Hong Kong (China), United Arab Emirates and Malaysia may be also important as transshipment hubs for counterfeit clothing goods as well.

Figure 4.17. Provenance economies of seized containers containing counterfeit clothes, 2014-16



Source: OECD database

Cross features

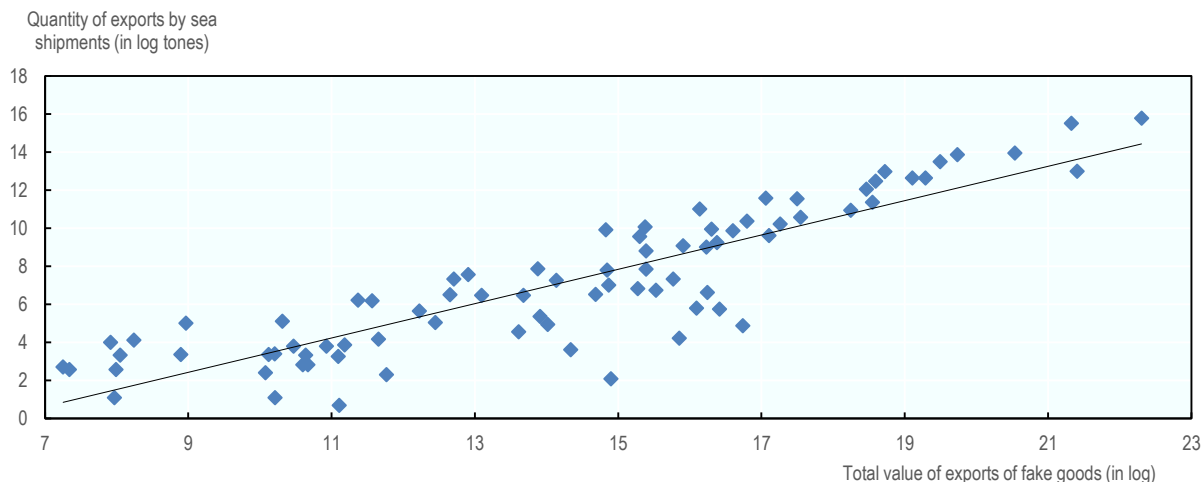
The legal flows of clothing exported from a given economy by containers can be compared with the value of fake clothing shipped from that economy.

Figure 4.18 and Figure 4.19 plot the quantity of clothing shipped from each extra-EU provenance economy to each EU member state by containers in 2016 against the value of counterfeit and pirated clothing

shipped from/to the same economies by (i) all transport modes confounded, (ii) only sea shipments, respectively. In both cases correlations are positive and statistically significant. It shows that on average any trade route where containers are used to transport these goods becomes targeted by criminals.

Figure 4.18. Counterfeit clothing: quantity of legal exports by containers against total value of seizures of fake goods, 2016

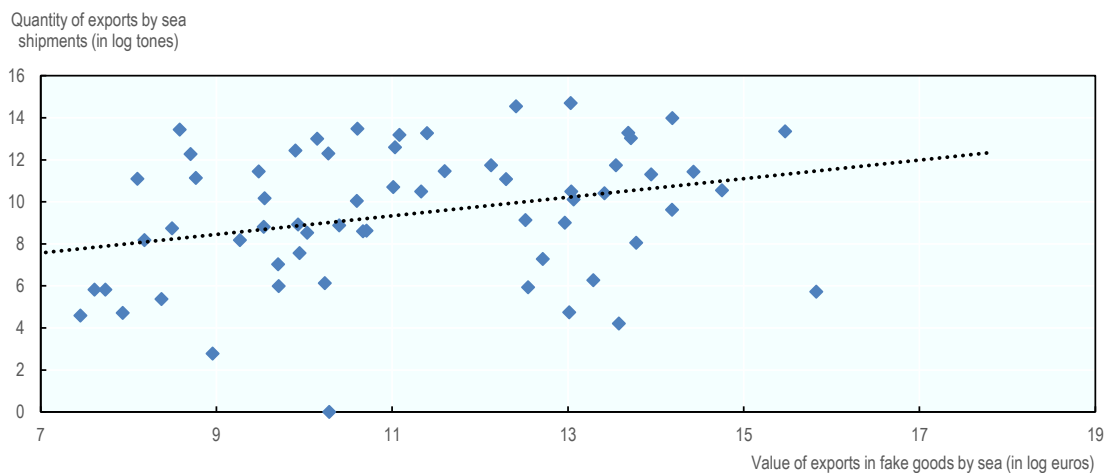
By each EU destination economy and extra-EU provenance economy pair



Note: One point corresponds to the flow of exports from a single provenance economy to a single EU destination economy in 2016.
Sources: OECD database and Comext (2020).

Figure 4.19. Counterfeit clothing: quantity of legal exports by containers against value of seizures of fake goods by containers, 2016

By each EU destination economy and extra-EU provenance economy pair



Note: One point corresponds to the flow of exports from a single provenance economy to a single EU destination economy in 2016.
Sources: OECD database and Comext (2020).

Electronic and electrical equipment

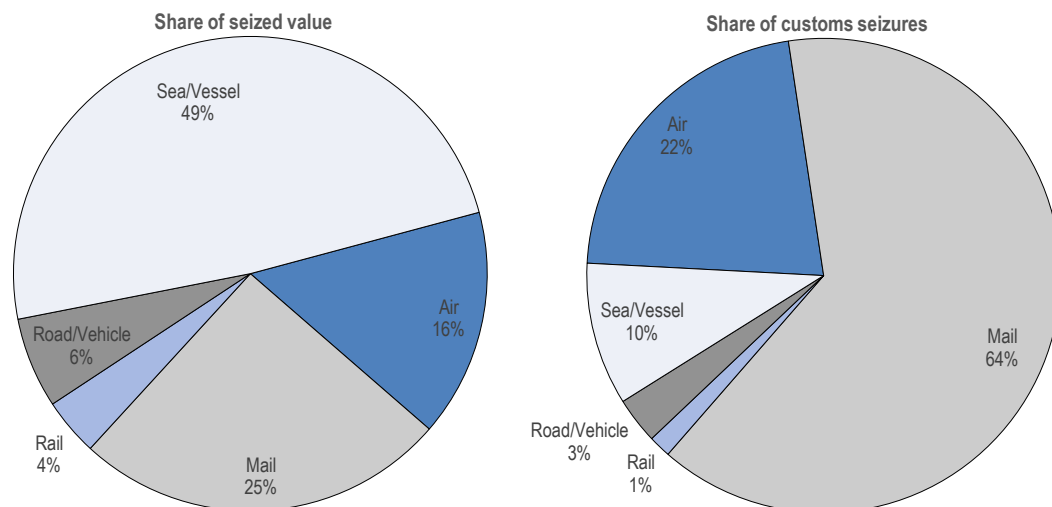
Overview

Electronic and electrical equipment industry refers to products in the HS 85 product category. Over the period 2014-16, customs authorities worldwide notably recorded seizures of counterfeit memory cards and sticks, earphones, headphones and headsets, mobile phones, batteries, chargers, microphones, speakers, and even electronic integrated circuits.

According to calculations for the OECD-EUIPO (2019) study, global trade in counterfeit electronic devices and electrical equipment was valued at USD 138 billion (EUR 125 billion) in 2016, making this industry the most affected by global counterfeiting and piracy in terms of value. This represents more than 5.6% of the total trade in those products.

Over the period 2014-16, the analysis of the value of customs seizures reflects that the size of shipments made by sea (49%, Figure 4.20, left panel) was larger than the size of shipments of fake electronics and electrical equipment made by mail. In terms of number, the largest share of seizures of counterfeit electronics and electrical equipment was sent by mail, representing 64% of all global customs seizures of these products reported in the database (Figure 4.20, right panel).

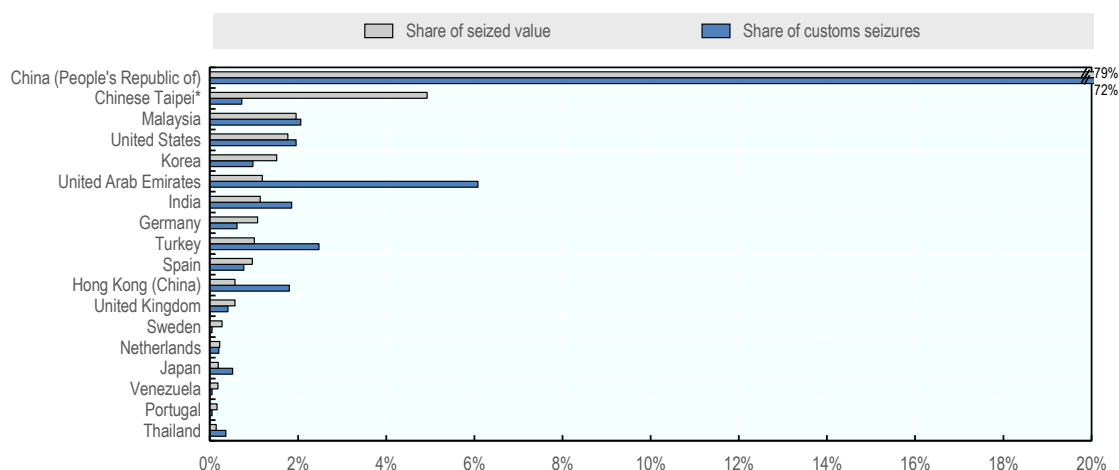
Figure 4.20. Shipment methods for seized counterfeit electronics and electrical equipment, 2014-16



Source: OECD database

The People's Republic of China and Malaysia are the main producers of counterfeit electronics and electrical equipment shipped by containers (Figure 4.21). Seizures data indicate complex trade routes used by counterfeiters of the electronic and electrical products with some highly developed countries being used as a transshipment/producer of products in HS 85 seized in developing countries. Nevertheless, the United Arab Emirates and Hong-Kong (China) seem to be the major transshipment hubs for counterfeiting electronic goods shipped to the final destinations.

Figure 4.21. Provenance economies of containers containing counterfeit electronics and electrical equipment, 2014-16



Source: OECD database

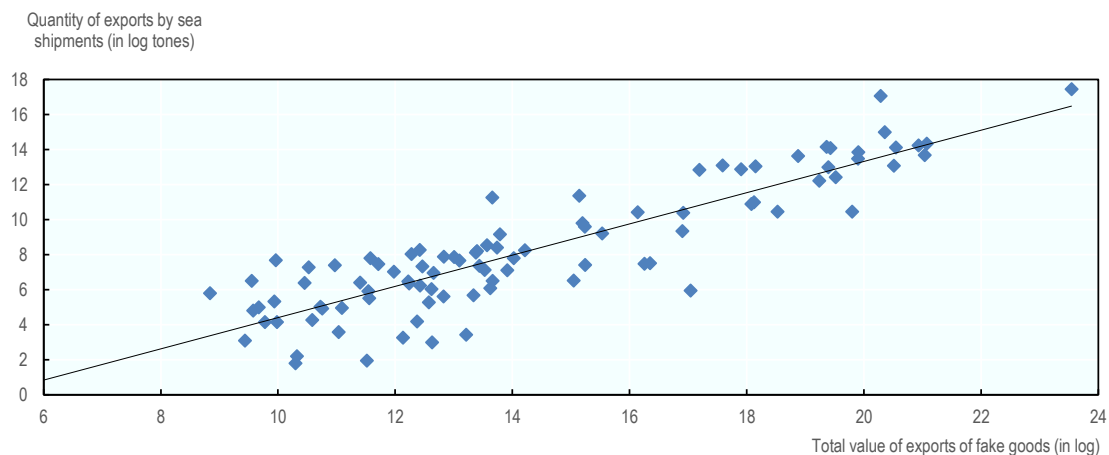
Cross features

The legal flows of electronic and electrical goods exported from a given economy by containers can be compared with the value of fake electronic and electrical goods shipped from that economy.

Figure 4.22 and Figure 4.23 plot the quantity of genuine electronic and electrical goods shipped from each extra-EU provenance economy to each EU member state by containers in 2016 against the value of counterfeit and pirated electronic and electrical goods shipped from/to the same economies by (i) all transport modes confounded, (ii) only sea shipments, respectively. Both correlations are positive and significant. It indicates that to some extent all trade flows in electronic and electrical equipment are polluted with counterfeit goods, making counterfeiting is a general threat to this sector of the industry.

Figure 4.22. Counterfeit electronics and electrical goods: quantity of legal exports by containers against total value of seizures of fake goods, 2016

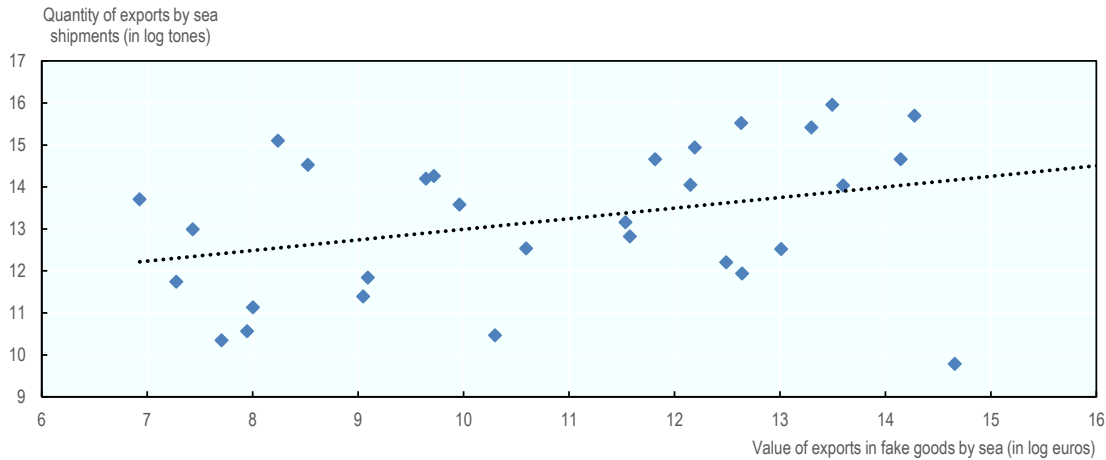
By each EU destination economy and extra-EU provenance economy pair



Note: One point corresponds to the flow of exports from a single provenance economy to a single EU destination economy in 2016.
Sources: OECD database and Comext (2020).

Figure 4.23. Counterfeit electronics and electrical equipment; quantity of legal exports by containers against value of seizures of fake goods by containers, 2016

By each EU destination economy and extra-EU provenance economy pair



Note: One point corresponds to the flow of exports from a single provenance economy to a single EU destination economy in 2016.
Sources: OECD database and Comext (2020).

Toys and games

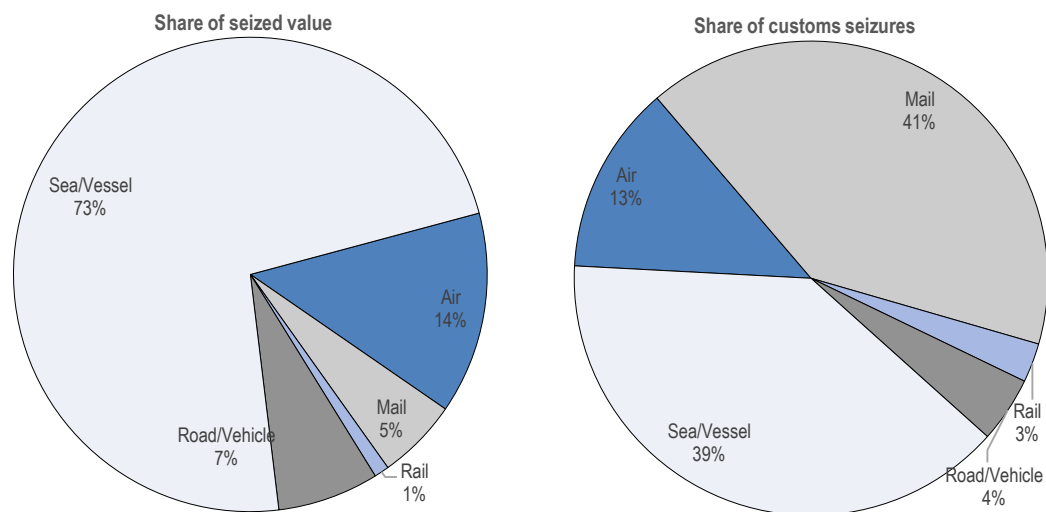
Overview

The toys, games and sports equipment industry refers to products in the HS 95 product category. Over the period 2014-16, customs authorities worldwide mainly seized counterfeit video game consoles and controllers, balls and balloons, bicycles, boxing gloves, car models, cards, exercise equipment, figures, plastic toys, skateboards, robots and dolls.

According to calculations for the OECD-EUIPO (2019) study, global trade in counterfeit toys, games and sports equipment was worth USD 11.8 billion (EUR 10.7 billion) in 2016. This represented more than 11.2% of all trade in those products, making this industry the third most affected by global counterfeiting and piracy in relative terms (i.e. as a percentage of trade within the product category).

Over the period 2014-16, the largest share of the global value of customs seizures of fake toys and games was made by sea (73%, Figure 4.24, left panel). Sea shipments were also close to the top in terms of the number of customs seizures of counterfeit toys and games traded worldwide, just slightly behind postal shipments (39% and 41%, Figure 4.24, right panel).

Figure 4.24. Shipment methods for seized counterfeit toys and games, 2014-16



Source: OECD database.

The People's Republic of China, Malaysia and India appear to be the main producing economies exporting fake toys, games and sports equipment by containers. The United Arab Emirates, Hong Kong (China) and Singapore are indicated as the main transit points for counterfeit toys, games and sports equipment worldwide.

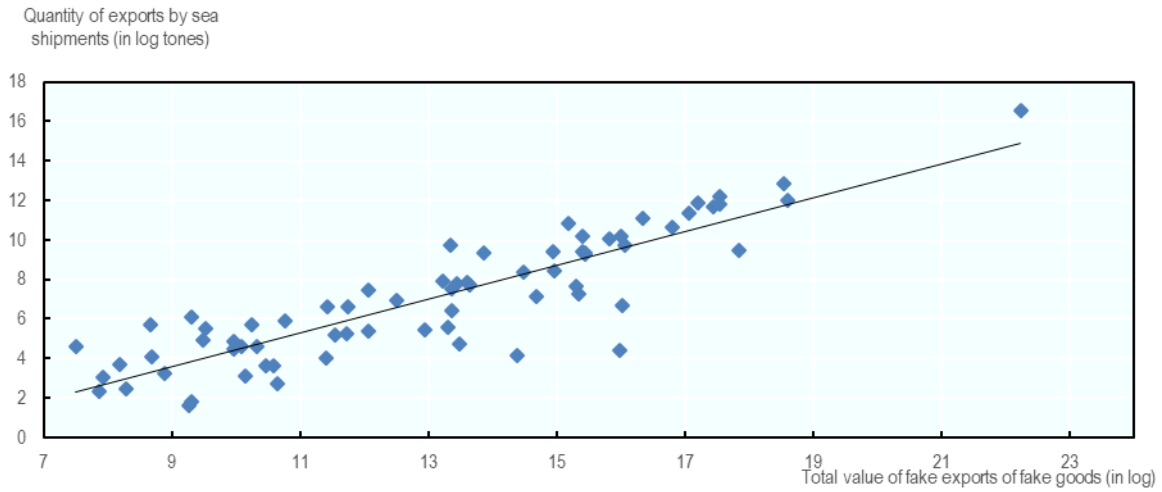
Cross features

The legal flows of toys and games exported from a given economy by containers can be compared with the value of fake toys and games shipped from that economy.

Figure 4.25 and Figure 4.26 plot the quantity of genuine toys and games shipped from each extra-EU provenance economy to each EU member state by containers in 2016 against the value of counterfeit and pirated toys and games shipped from/to the same economies by (i) all transport modes, (ii) only sea shipments, respectively. Just as for previous industries analysed in this report the correlations are positive and statistically significant. It means that on average all trade flows in toys become targeted by criminals, making counterfeiting a general, universal threat to this industry.

Figure 4.25. Counterfeit toys and games: quantity of legal exports by containers against total value of seizures of fake goods, 2016

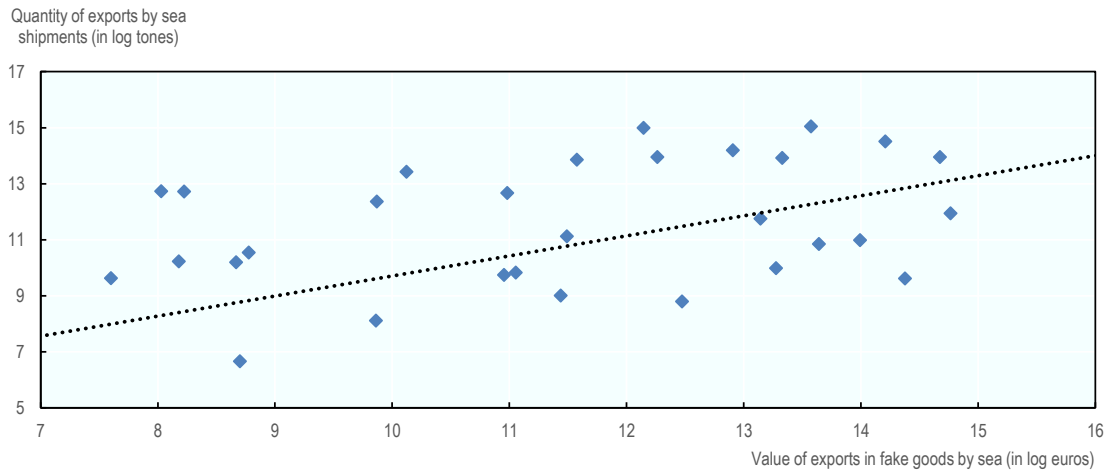
By each EU destination economy and extra-EU provenance economy pair



Note: One point corresponds to the flow of exports from a single provenance economy to a single EU destination economy in 2016.
Sources: OECD database and Comext (2020).

Figure 4.26. Counterfeit toys and games: quantity of legal exports by containers against total value of seizures of fake goods by containers, 2016

By each EU destination economy and extra-EU provenance economy pair



Note: One point corresponds to the flow of exports from a single provenance economy to a single EU destination economy in 2016.
Sources: OECD database and Comext (2020).

Key maritime routes for illicit trade

The general analysis presented above documents the scale of misuse of containerized maritime transport in illicit trade in counterfeits. It estimates its scale, identifies key provenance economies, illustrates products concerned and gauges this phenomenon for key industries concerned.

The analysis provides additional evidence of the role of containerized maritime transport in counterfeit trade. The analysis builds on findings presented in the OECD-EUIPO (2018c) report that assessed the role of governance frameworks, enforcement and economic factors in relation to intensity of trade in fake goods. The analysis is done in three steps:

- First, this section reiterates some of the points made in the OECD-EUIPO (2018c) report in the context of containerized maritime transport. It starts with a general check of some links between the share of counterfeit and pirated goods exported by each economy and general indicators on its logistic facilities.
- In addition, the analysis identifies the key shipping container routes that tend to be polluted with counterfeits. This question is analysed specifically for the routes for the EU, where detailed data are available.
- To conclude, this subchapter also discusses potential changes in these patterns in the context of future infrastructural and logistical developments.

To check whether the problem of misuse of counterfeits follows the general patterns of illicit trade in fakes, as outlined in OECD-EUIPO (2018c), this section analyses the relation between illicit trade in counterfeits and maritime trade flows in general. This section presents it using three general, aggregated indices that illustrate the accessibility of containerized trade in a given economy, developed by UNCTAD. These measures reflect the degree of integration of an economy and its ports in global trade, hence they constitute a proxy for the general level of development of an economy infrastructure and its openness. These indices include:

- Port liner shipping connectivity index, an aggregated indicator of relative importance and integration of a port in global trade. This section checks its relation with the value of imports of fakes seized by customs in a given economy (see Figure 4.27).
- Liners Shipping bilateral connectivity index (UNCTAD), which indicates a country pair's integration level into global liner shipping networks. This index is aggregated and averaged for exporting economies and then it is compared with the corresponding value of exports of fake goods by sea from this economy (see Figure 4.28).
- Container port traffic index, that measures the flow of containers from land to sea transport modes, and vice versa, in twenty-foot equivalent units (TEUs) a standard-size container. Its relation is checked with the value of imports of fakes seized by customs in a given economy (see Figure 4.29).

The Liner Shipping Connectivity Index (LSCI) aims at capturing the level of integration into the existing liner shipping network by measuring liner shipping connectivity. It can be calculated at the country and at the port level. LSCI can be considered a proxy of the accessibility to global trade.

In all three cases there is strong, and statistically significant correlation between indices of trade in counterfeit goods misusing containerized maritime transport and indices of intensity of containerized maritime transport in general.

A conclusion of this exercise is that illicit trade in counterfeits that misuses maritime transport is a universal and general problem, which correlates with the openness and development of an economy shipping lines infrastructure. Put it differently, similarly to findings of OECD-EUIPO (2018c) illicit trade in counterfeits tends to correlate with indices of an economy's openness, and integration in global trade.

Figure 4.27. Correlation between the Port LSCI index and proxy for trade in counterfeits. Economy-level, 2016

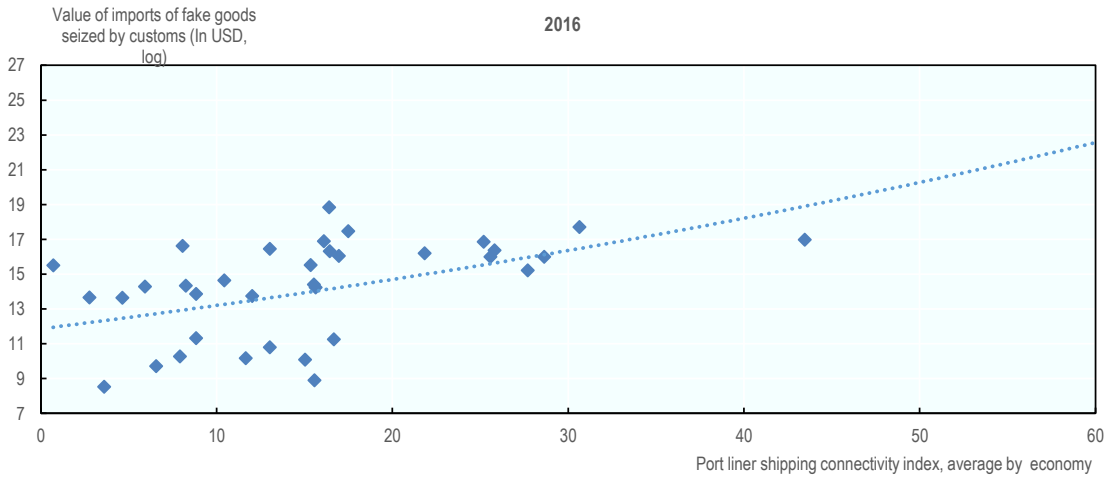


Figure 4.28. Correlation between the Bilateral LSCI index and a proxy for trade in counterfeits. Economy-level, 2016

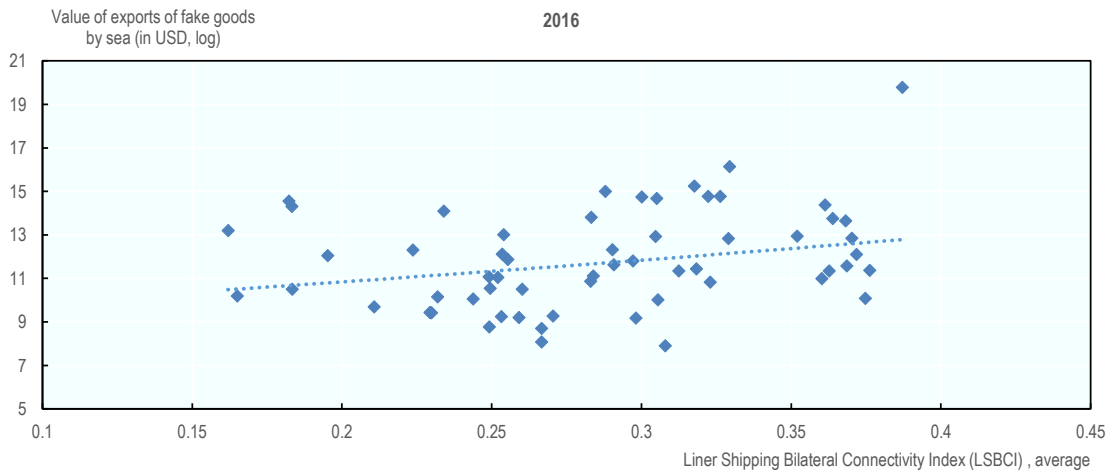
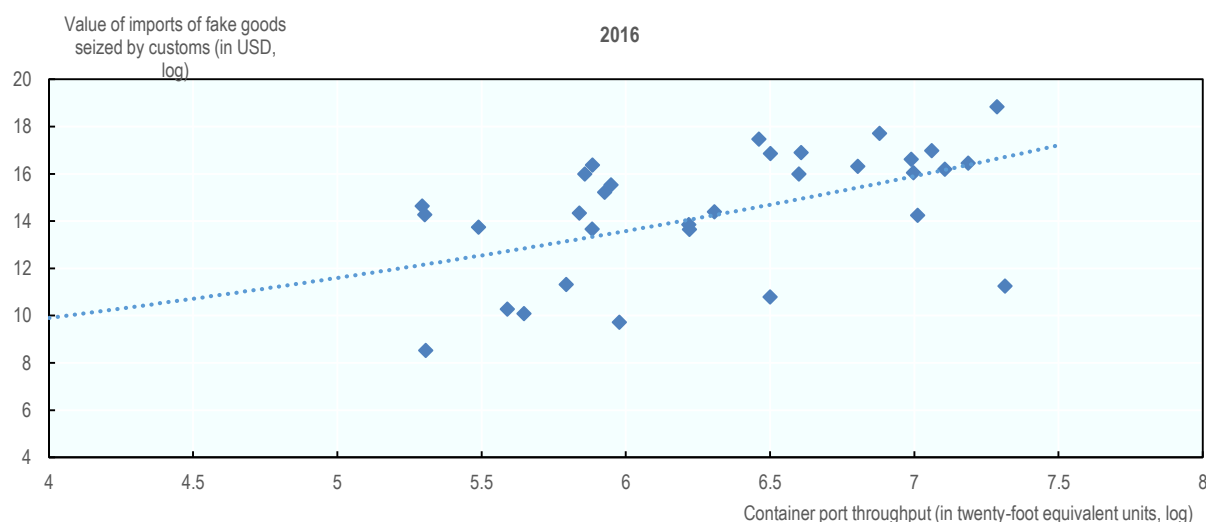


Figure 4.29. Correlation between the Container port traffic index and a proxy for trade in counterfeits. Economy-level, 2016



Focus on specific ports (the case of the EU)

The last step of this quantitative exercise identifies the key ports with the highest potential of departure and import of fakes. The available data on seizures, does not permit identification of key ports of entry of fakes. Due to limited data availability, this exercise is done for trade in fakes to the European Union only, and it looks at the flows of legitimate trade in containerships coming from provenance economies with higher GTRIC-e score. As shown in the previous section, the bilateral flows of counterfeit goods, follow by and large the flows of legitimate goods. Consequently, this exercise uses the overall trade flows, and the GTRIC-e scores as a proxy, and relies on an assumption that criminals do not target specific ports in any particular way. This exercise is done in two steps.

The first step checks which harbours in provenance countries are most likely to be misused as points of departure of trade in fakes to the EU. It has been prepared by comparing seizure data with data on container lines from Comext (Eurostat). For economies with the highest GTRIC-e, we identify ports with the highest number of container ships departing to the EU in 2016.

The second step relies on the Eurostat data on volume of containers transported from the five major provenance countries of counterfeit goods and analyses main countries and ports of entry of containers from the provenance countries. The Annex contains more detailed statistics, which focus on the countries and ports of entry of containers from each of the five major provenance countries.

The results of the first exercise are presented in Table 4.2. The analysis suggests that in China, the ports of Shanghai, Ningbo and Qingdao are the key points of departures of fakes via containerships on their way to the EU. Other significant ports include Hong-Kong (China), some ports in the Gulf area, such as Shuiaba in Kuwait, and Jebel Ali in the United Arab Emirates, Sihanoukville in Cambodia and Bar in Montenegro.

Table 4.2. Main ports of exportation of fakes from provenance economies (2016)

Main provenance economies of fake goods shipped to the EU by sea	GTRIC-e	Main ports
China (People's Republic of)	1	China, Shanghai
		China, Ningbo
		China, Qingdao
		China, Yantian
		China, Xiamen
		China, Xingang
		China, Dalian
		China, Shekou
Hong Kong (China)	1	Hong Kong (China)
Kuwait	1	Kuwait, Shuaiba
		Kuwait, Shuwaikh
Cambodia	0.9673012	Cambodia, Sihanoukville
Montenegro	0.9492664	Montenegro, Bar
United Arab Emirates	0.9453318	United Arab Emirates, Jebel Ali
		United Arab Emirates, Khor Fakkan
		United Arab Emirates, Khalifa
Benin	0.9254637	Benin, Cotonou
Jordan	0.8705141	Jordan, Aqaba
Singapore	0.8620592	Singapore, Singapore
Malaysia	0.8414308	Malaysia, Port Klang
		Malaysia, Tanjung Pelepas
		Malaysia, Pasir Gudang
		Malaysia, Penang
Viet Nam	0.8394201	Viet Nam, Ho Chi Minh City
		Viet Nam, Vung Tau
		Viet Nam, Haiphong
Lebanon	0.8132287	Lebanon, Beirut
Syrian Arab Republic	0.7897374	Syrian Arab Republic, Latakia
		Syrian Arab Republic, Tartous
Morocco	0.7464321	Morocco, Tanger Med
		Morocco, Casablanca
		Morocco, Agadir
Bangladesh	0.7143928	Bangladesh, Chittagong
		Bangladesh, Mongla

The results of the second exercise, summarized in Table 4.3, show that over half of containers transported in 2016 by ships from major counterfeit provenance countries entered the EU through Germany, Netherlands and the United Kingdom. The share of containers transported from major counterfeit provenance economies is also relatively higher for those countries than their share in overall volume of containers transported to the EU. There are also some countries, with relatively low volume of containers handled but with high share of containers transported from major provenance of counterfeit, such as Bulgaria, Romania, Croatia and Greece.

Table 4.3. Main countries of entry of containers in maritime transport from the five major counterfeit provenance countries (2016)

Country	Volume	Share in total volume handled by country	Share of country in total volume of containers handled in the EU	Sensitivity indicator
Germany	2286529	29.85%	19.65%	1.25
Netherlands	2015595	30.54%	17.32%	1.28
United Kingdom	1887239	36.63%	16.22%	1.54
Spain	1504585	19.82%	12.93%	0.83
Belgium	836775	16.98%	7.19%	0.71
Greece	794380	35.92%	6.83%	1.51
France	791238	31.12%	6.80%	1.31
Italy	716195	12.86%	6.15%	0.54
Portugal	182190	12.74%	1.57%	0.54
Poland	180257	16.17%	1.55%	0.68
Romania	153097	43.46%	1.32%	1.82
Sweden	72852	9.33%	0.63%	0.39
Bulgaria	64214	61.78%	0.55%	2.59
Slovenia	53033	11.90%	0.46%	0.50
Croatia	41901	39.64%	0.36%	1.66
Denmark	38881	10.25%	0.33%	0.43
Malta	11998	20.69%	0.10%	0.87
Cyprus*	3976	2.17%	0.03%	0.09
Ireland	1834	0.40%	0.02%	0.02

Notes: Data source: Eurostat table mar_go_qm_c2016 Volume of containers transported to/from main ports. Table 4.31 presents inward flow of total number of containers (loaded and empty) from five major counterfeit provenance countries: China, Hong Kong (China), Singapore, United Arab Emirates and Turkey. For the table quarterly data has been aggregated to annual figures.

Countries not present in the table either not receive the containers via maritime transport or did not provide data.

* Note by Turkey:

The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

Note by all the European Union Member States of the OECD and the European Union:

The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Slightly over 50% of all the containers transported from five major provenance countries of counterfeits by maritime transport to Europe entered in 2016 through four ports: Rotterdam, Hamburg, Felixstowe and Antwerp. Among those ports only for Antwerp, the share of port in the inward transport of containers from five major countries of counterfeit provenance is lower than its share in the overall transport of containers. The importance of containers shipped from major counterfeit provenance countries was especially high for Felixstowe, where shipments from those countries constituted almost 60% of all the containers handled in the port.

Table 4.4. Main ports of entry of containers from the five major counterfeit provenance countries (2016)

Port	Country	Volume	Share in total volume handled by port	Share of port in total volume of containers handled in the EU	Sensitivity indicator
Rotterdam	NL	2015595	31.51%	17.32%	1.32
Hamburg	DE	1837346	39.71%	15.79%	1.67
Felixstowe	UK	1196927	58.92%	10.29%	2.47
Antwerp	BE	821229	17.00%	7.06%	0.71
Peiraias	EL	780582	41.03%	6.71%	1.72
Valencia	ES	739046	31.28%	6.35%	1.31
Southampton	UK	511145	49.87%	4.39%	2.09
Bremerhaven	DE	448718	17.07%	3.86%	0.72
Le Havre	FR	416492	33.15%	3.58%	1.39
Barcelona	ES	340787	30.46%	2.93%	1.28
Algeciras	ES	340283	14.25%	2.92%	0.60
Marseille	FR	322081	51.76%	2.77%	2.17
La Spezia	IT	227881	32.75%	1.96%	1.38
Gdansk	PL	180257	23.33%	1.55%	0.98
Sines	PT	177820	23.54%	1.53%	0.99
Constanta	RO	153097	43.46%	1.32%	1.82
Trieste	IT	150768	47.29%	1.30%	1.99
Gioia Tauro	IT	142086	7.20%	1.22%	0.30
London	UK	129177	17.08%	1.11%	0.72
Genova	IT	109459	9.5%	0.94%	0.40

Notes: Data source: Eurostat table mar_go_qm_c2016 Volume of containers transported to/from main ports. Tables 4.31 and 4.32 presents inward flow of total number of containers (loaded and empty) from five major counterfeit provenance countries: China, Hong Kong (China), Singapore, United Arab Emirates and Turkey. For the table quarterly data has been aggregated to annual figures.

Sensitivity indicator has been computed by dividing share of a country/port in inward transport of containers from five major counterfeit provenance economy by the share of a country/port in overall inward transport of containers.

The Belt and Road Initiative

To complete the existing picture, it is important to highlight that on-going and planned infrastructure developments can change significantly the patterns of imports on fake goods with containers. The Chinese Belt and Road Initiative (BRI; see Box 4.2) seems to be of particular relevance, as a global initiative, that also aims to strengthen container trade connection with the European Union and may facilitate illicit trade.¹⁸

Box 4.2. Belt and Road Initiative (BRI)

China's Belt and Road Initiative (BRI) development strategy aims to build connectivity and co-operation across six main economic corridors encompassing China and i) Mongolia and Russia, ii) Eurasian countries, iii) Central and West Asia, iv) Pakistan, v) other countries of the Indian sub-continent, and vi) Indochina. The focus of the BRI is to carry out large infrastructural investment projects to facilitate trade and investment.

BRI investment projects are estimated to add over USD 1 trillion of outward funding for foreign infrastructure over the 10-year period from 2017. The main sources of funding for the bulk of these BRI-participating projects are the Chinese development banks, the USD 40 billion Silk Road Fund, and two of the large state-owned commercial banks.

In China, the initiative is overseen by the “Leading Group” for promoting its work hosted by the National Development and Reform Commission (NDRC) which oversees and coordinates all BRI projects (including inter alia with the Ministry of Commerce (MOFCOM), the Ministry of Foreign Affairs (MFA), and the Development Research Centre of the State Council.

Source: OECD (2018).

As demonstrated in the OECD-EUIPO (2018c) report, investments in infrastructure development is one of the key elements that can spur illicit trade, when they are not complemented with sufficient development in governance frameworks. Infrastructure-related factors that can support trade in general and can increase trade in fakes, including i) low shipping charges, ii) fast, simple and predictable customs formalities, and iii) good quality trade and transport-related infrastructure (e.g. ports, railroads, roads and information technology) are factors that tend to be misused by criminals, especially in economies with underdeveloped governance standards, and relevant capacities to implement these standards.

Over time, China has managed to reduce its dependence upon external transit hubs, to increase the internal connectivity of its own port system, and to strengthen its dominance towards an increasing number of foreign nodes and trade partners through the maritime network (Ducruet and Liehui, 2018). The large infrastructure investments along the Belt and Road Initiative will certainly further the changes in container ship transport patterns, and will impact the routes of trade in fake goods.

The BRI will strengthen container trade connection from China to the European Union. The plans include a set of large infrastructure investments designed to go from China's coast to Europe through the South China Sea and the Indian Ocean. Through this connection, China will significantly strengthen the container shipping capacities with the Persian Gulf and the Mediterranean Sea through Central Asia and the Indian Ocean. Several economic studies, based on trade modelling, highlight that BRI-related enhancement in infrastructure in South East Europe are likely to result in significant growths in cargo transhipped in Mediterranean ports (Schinas and von Westarp, 2017; Jiang, Li and Gong, 2018). In fact, Mediterranean Basin plays a central role in the BRI network as a “hub-of-hubs” (Haralambides and Merk, 2020).

Over the recent years China has significantly increased its investment in the foreign port infrastructure. Since 2013, the year of BRI adoption, China has participated in construction and operation of 42 ports in 34 economies (Haralambides and Merk, 2020). Port infrastructure developments are in some cases combined with the creation of Free Trade Zones. Some of the most prominent Chinese investments in the port infrastructure are listed in Table 4.5 and

Table 4.6. Those investments are often backed by the Chinese government and financed from state loans, which allows the Chinese companies to offer better deal terms than those possible for the major competitors. The rapid growth of port of Piraeus¹⁹ illustrates well the ability of Chinese port operators to drive the maritime traffic to the ports they control.

Chinese investments in the crucial port infrastructure abroad may be driven by many legitimate strategic and commercial goals, but also raises some security and safety concern for host countries. One of them is a shift in port operators' incentives towards major emphasis on trade facilitation and reduction of transport time in lieu of more thorough control of containers. Such a shift renders counterfeit detection more difficult and less efficient.

This might result in substantial growth of fakes entering the European Union in container ships. Current analysis points at ports in northern Europe as the main ports of entry of fake. After completion of these investments, and in line with findings of OECD (2018c), ports in the Mediterranean region could become more intensely targeted by criminal networks in the context of smuggling fakes to the European Union.

In addition, the presence of free trade zones (FTZs) is a particularly strong driver of trade in counterfeit and pirated goods in economies with weak governance, high corruption levels and a lack of intellectual property rights (IPR) enforcement (OECD/EUIPO, 2018a). In the context of the BRI initiative, there are strong intentions to create new FTZs along the Silk Road. As outlined in the Chinese Five-Year plan (Chapter 52 Section 2): *We will speed up efforts to implement the free trade area strategy, gradually establishing a network of high-standard free trade areas. We will actively engage in negotiations with countries and regions along the routes of the Belt and Road Initiative on the building of free trade areas.*

Table 4.5. Selected acquisitions of port operation undertakings by Chinese firms in Europe

Year	Port	Terminal	Company	Majority Stake?
2004	Antwerp	Port of Antwerp Gateway Terminal	COSCO Shipping Ports Limited	No
2009	Piraeus	Container Terminals 2# and 3#	COSCO Shipping Ports Limited	Yes
2013	Antwerp	Antwerp Gateway ¹	China Merchants Port Holdings Company Limited	No
2013	Dunkirk	Terminal des Flandres ¹	China Merchants Port Holdings Company Limited	No
2013	Le Havre	Terminal de France and Terminal Nord ¹	China Merchants Port Holdings Company Limited	No
2013	Montoir	Terminal du Grand Ouest ¹	China Merchants Port Holdings Company Limited	No
2013	Fos	Eurofos ¹	China Merchants Port Holdings Company Limited	No
2013	Marsaxlokk	Malta Freeport Terminal ¹	China Merchants Port Holdings Company Limited	No
2015	Kumport	Kumport Terminal	COSCO Shipping Ports Limited	Yes
2015	Kumport	Kumport Terminal	China Merchants Port Holdings Company Limited	Yes
2016	Vado	existing Reefer Terminal S.P.A and the new terminal under construction	COSCO Shipping Ports Limited	No
2016	Rotterdam	Euromax Terminal	COSCO Shipping Ports Limited	No
2016	Piraeus	Piraeus Port Authority	COSCO Shipping Ports Limited	Yes
2017	Zeebrugge	APM/CSP Terminal Zeebrugge	COSCO Shipping Ports Limited	Yes
2017	Valencia	Noatum Container Terminal Valencia ²	COSCO Shipping Ports Limited	Yes
2017	Bilbao	Noatum Container Terminal Bilbao ²	COSCO Shipping Ports Limited	Yes
2018	Thessaloniki	Thessaloniki Port Authority	China Merchants Port Holdings Company Limited	No
2020	Odessa	Odessa Terminal Holdco Ltd ³	China Merchants Port Holdings Company Limited	No
2020	Rotterdam	Rotterdam World Gateway ³	China Merchants Port Holdings Company Limited	No

Notes: 1 Through purchase of 49% of stakes in Terminal Link company. 2 Through takeover of Noatum Ports. 3 Through Terminal Link company. Sources: Chen, Jihong & Fei, Yijie & Lee, Paul & Tao, Xuezhong. (2018). Overseas Port Investment Policy for China's Central and Local Governments in the Belt and Road Initiative. Journal of Contemporary China. 28. 1-20.; Annual reports of companies, press releases and press articles.

Table 4.6. Selected acquisitions of port operation undertakings by Chinese firms in Asia

Year	Port	Terminal	Company	Majority Stake?
2003	Singapore	Pasir Panjang Terminal 1	COSCO Shipping Ports Limited	No
2010	Vung Tau	Vung Tau Container Terminal	China Merchants Port Holdings Company Limited	No
2011	Colombo	South Container Terminal of Colombo Port	China Merchants Port Holdings Company Limited	Yes
2012	Kaohsiung	Taiwan Kao Ming Container Terminal	COSCO Shipping Ports Limited	No
2013	Busan	Busan New Container Terminal ¹	China Merchants Port Holdings Company Limited	No
2013	Gwadar	Gwadar Deep-water	China Overseas Ports Holding Company Pakistan (Pvt.) Ltd.	Yes
2015	Busan	Busan	COSCO Shipping Ports Limited	No
2015	Haifa	Haifa Bayport	Shanghai International Port Group	Yes
2015	Kuantan	Kuantan	Guangxi Beibu Gulf International Port Group	No
2016	Abu Dhabi	CSP Abu Dhabi Terminal	COSCO Shipping Ports Limited	Yes
2016	Singapore	Pasir Panjang Terminal 5	COSCO Shipping Ports Limited	No
2017	Hambantota	Hambantota International Port Group	China Merchants Port Holdings Company Limited	Yes
2020	Singapore	CMA CGM-PSA Lion Terminal Pte Ltd ²	China Merchants Port Holdings Company Limited	No
2020	Laem Chabang	Laem Chabang International Terminal Co Ltd ²	China Merchants Port Holdings Company Limited	No
2020	Umm Qasr	CMA CGM Terminals Iraq S.A.S. ²	China Merchants Port Holdings Company Limited	No

Notes: 1 Through purchase of 49% of stakes in Terminal Link company. 2 Through Terminal Link company

Sources: Chen, Jihong & Fei, Yijie & Lee, Paul & Tao, Xuezhong. (2018). Overseas Port Investment Policy for China's Central and Local Governments in the Belt and Road Initiative. *Journal of Contemporary China*. 28. 1-20.; Annual reports of companies, press releases and press articles.

Table 4.7. Selected acquisition of port operation undertakings by Chinese firms in other regions

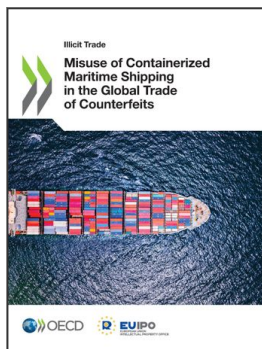
Year	Port	Terminal	Company	Majority Stake?
North America				
2001	Long Beach	Pacific Container Terminal	COSCO Shipping Ports Limited	Yes
2002	Los Angeles	West Basin Container Terminal	COSCO Shipping Ports Limited	Yes
2008	Seattle	SSA Terminals	COSCO Shipping Ports Limited	No
2013	Houston	Houston Terminal Link ¹	China Merchants Port Holdings Company Limited	No
2013	Miami	South Florida Container Terminal ¹	China Merchants Port Holdings Company Limited	No
2020	Kingston	Kingston Freeport Terminal Limited ²	China Merchants Port Holdings Company Limited	No
South America				
2017	Paranaguá	Terminal de Contêineres de Paranaguá	China Merchants Port Holdings Company Limited	Yes
2019	Chancay	Chancay Terminal	COSCO Shipping Ports Limited	Yes
Africa				
2007	Said	Said	COSCO Shipping Ports Limited	No
2010	Lagos	Tin-Can Island Container Terminal	China Merchants Port Holdings Company Limited	No
2012	Lomé	Togo Container Terminal	China Merchants Port Holdings Company Limited	Yes
2013	Djibouti	Doraleh Container Terminal	China Merchants Port Holdings Company Limited	No
2013	Casablanca	Somaport ¹	China Merchants Port Holdings Company Limited	No
2013	Tangiers	Eurogate Tanger ¹	China Merchants Port Holdings Company Limited	No
2013	Abidjan	Terra Abidjan ¹	China Merchants Port Holdings Company Limited	No
Oceania				
2018	Newcastle	Newcastle	China Merchants Port Holdings Company Limited	Yes

Notes: 1 Through purchase of 49% of stakes in Terminal Link company. 2 Through Terminal Link company.

Sources: Chen, Jihong & Fei, Yijie & Lee, Paul & Tao, Xuezhong. (2018). Overseas Port Investment Policy for China's Central and Local Governments in the Belt and Road Initiative. *Journal of Contemporary China*. 28. 1-20.; Annual reports of companies, press releases and press articles.

References

- Chen, J. et al. (2018), Overseas Port Investment Policy for China's Central and Local Governments in the Belt and Road Initiative. *Journal of Contemporary China*. 28. 1-20.
10.1080/10670564.2018.1511392.
- Comext (2020), "DS-022469 - EXTRA EU Trade Since 1999 By Mode of Transport (NSTR)", Eurostat International Trade Statistics (database),
<http://epp.eurostat.ec.europa.eu/newxtweb/setupdimselection.do>, (last access on February 2020).
- Ducruet C. and L. Wang (2018), China's Global Shipping Connectivity: Internal and External Dynamics in the Contemporary Era (1890–2016). *Chinese Geographical Science*, 28(2): 202–216.
<https://doi.org/10.1007/s11769-018-0942-x>.
- Haralambides, H., Merk, O (2020) The Belt and Road Initiative: Impacts on Global Maritime Trade Flows. *International Transport Forum, Discussion Paper 178*.
- ITF (2020a), "Global Container Shipping and the Coronavirus", COVID-19 Transport Brief, International Transport Forum, OECD, <https://www.itf-oecd.org/sites/default/files/global-container-shipping-covid-19.pdf>.
- Jiang, B., J. Li, C. Gong (2018), Maritime Shipping and Export Trade on "Maritime Silk Road", *The Asian Journal of Shipping and Logistics* 34(2) (2018) 083-090.
- OECD (2008), *The Economic Impact of Counterfeiting and Piracy*, OECD Publishing, Paris,
<https://doi.org/10.1787/9789264045521-en>.
- OECD/EUIPO (2019), *Trends in Trade in Counterfeit and Pirated Goods*, Illicit Trade, OECD Publishing, Paris, <https://doi.org/10.1787/g2q9f533-en>.
- OECD/EUIPO (2018a), *Trade in Counterfeit Goods and Free Trade Zones: Evidence from Recent Trends*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264289550-en>.
- OECD/EUIPO (2018b), *Misuse of Small Parcels for Trade in Counterfeit Goods: Facts and Trends*, OECD Publishing, Paris,
<https://doi.org/10.1787/9789264307858-en>.
- OECD/EUIPO (2018c), *Why Do Countries Export Fakes?*, OECD Publishing, Paris,
<https://doi.org/10.1787/9789264302464-en>.
- OECD (2018) "China's Belt and Road Initiative in the Global Trade, Investment and Finance Landscape", Chapter 2 of the *OECD Business and Financial Outlook*, OECD, Paris.
- OECD/EUIPO (2017), *Mapping the Real Routes of Trade in Fake Goods*, OECD Publishing, Paris,
<http://dx.doi.org/10.1787/9789264278349-en>.
- Schinas O. and A. Graf von Westarp (2017), "Assessing the impact of the maritime silk road": *Journal of Ocean Engineering and Science*, Volume 2, Issue 3, September 2017, pp. 186-195.



From:

Misuse of Containerized Maritime Shipping in the Global Trade of Counterfeits

Access the complete publication at:

<https://doi.org/10.1787/e39d8939-en>

Please cite this chapter as:

OECD/European Union Intellectual Property Office (2021), “Containerships and global trade in fake products – the Evidence”, in *Misuse of Containerized Maritime Shipping in the Global Trade of Counterfeits*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/71f7f4c3-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.