

Press Release  
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## €3.5 billion lost every year across the EU due to fake jewellery, watches, handbags and luggage

**The manufacture of counterfeit jewellery, watches, handbags and luggage costs EU businesses €3.5 billion each year.**

Two new reports from the Office for Harmonization in the Internal Market (OHIM), the EU's largest intellectual property agency, reveal that 13.5% of sales of jewellery and watches and 12.7% of sales of handbags and luggage in the EU are lost due to counterfeiting.

Those lost sales translate into 27,000 jobs directly lost across the two sectors, as legitimate manufacturers employ fewer people than they would have done in the absence of counterfeiting.

Moreover, the total yearly loss of government revenue as a result of counterfeit products in these sectors across the EU in terms of household income taxes, social security contributions, corporate income taxes and VAT can be estimated at €1.1 billion.

The President of OHIM, António Campinos said:

*“The jewellery and watches sector and the handbags and luggage sector in the EU are overwhelmingly made up of micro-enterprises, which employ fewer than ten people. The average number of employees per enterprise in the jewellery and watches sector is just three people. Such businesses are particularly vulnerable to the economic effects of counterfeiting.”*

Today's reports are the fifth and sixth in a series of studies released by OHIM via the European Observatory on Infringements of Intellectual Property Rights into the economic impact of counterfeiting in industrial sectors in the EU. The series previously looked at: the [toys and games sector](#); the [sports goods sector](#); the [clothes, shoes and accessories sector](#); and the [cosmetics and personal care items sector](#). Each report in the series centres on a sector known to be vulnerable to counterfeiting.

### **Italy:**

More than half of the EU's total manufacture of handbags and luggage takes place in Italy, where the sector was worth €6.5 billion in 2012. Italy also accounts for 40% of the EU's exports and 35% of the sector's total EU employment. **The handbags and luggage manufacturing sector in Italy loses €20 million every year as a result of counterfeiting – one third of total lost sales in the EU.** Italy is also the largest producer of

jewellery in the EU with production of €5 billion each year. **The jewellery and watches manufacturing sector in Italy loses approximately €400 million every year due to counterfeiting.**

**France:**

France is the second-largest exporter of handbags and luggage in the EU-28. The sector was worth €2.7 billion in 2012. **The handbags and luggage manufacture sector in France loses approximately €99 million every year as a result of counterfeiting.** France also accounts for 19% of all employment within this sector in the EU-28. The jewellery and watches sector in France is worth approximately €1.5 billion each year. **The jewellery and watches manufacturing sector in France loses approximately €336 million each year as a result of counterfeit products in the French marketplace.**

**Germany:**

The German handbags and luggage manufacturing sector loses **€231 million annually** as a result of counterfeit products in the marketplace – 13.9% of all sales in this sector. The German jewellery and watches manufacturing sector – worth approximately €1.7 billion each year – loses **€247 million annually** as a result of counterfeit products in the German marketplace. Germany is the biggest producer of watches in the EU.

**UK:**

The UK handbag and luggage manufacturing sector loses **£149 million annually** as a result of counterfeit products in the marketplace – nearly 12% of all sales in this sector. The UK jewellery and watches manufacturing sector loses **£138 million annually** as a result of counterfeiting.

**Spain:**

The Spanish handbag and luggage sector loses **€123 million every year** as a result of counterfeit products in the marketplace – **11% of all sales in this sector.** The Spanish jewellery and watches manufacturing sector loses **€204 million annually** as a result of counterfeiting.

**Together, Italy, France, Germany, and Spain account for approximately two thirds of the total lost sales in the jewellery and watches manufacturing sector across the EU-28.**

## NOTE TO EDITORS

These reports are the fifth and sixth in a series of sectorial reports quantifying the economic impact of counterfeiting. Future reports will study additional sectors, including medicines, computers, automotive parts, tobacco and alcohol and other sectors thought to be vulnerable to intellectual property rights infringements.

## ABOUT OHIM

OHIM is the EU's largest intellectual property agency, registering Community trade marks and registered Community designs. In 2012, OHIM was given responsibility for the EU Observatory on Infringements of Intellectual Property Rights, which works to support the protection and enforcement of IP rights. **On March 23, 2016**, following the publication of Regulation (EU) No 2015/2424 of the European Parliament and the Council, **OHIM will change its name to the European Union Intellectual Property Office (EUIPO)**. More details on the name change are available [through the Office's website](#).

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