

Chinese and Korean Mafias Lead Piracy in Brazil

Contributed by Luciana Vasconcelos
Thursday, 03 March 2005

The creation of a Division for the Repression of Contraband and an Anti-Piracy Division in the Brazilian Federal Police Department and a similar section in the Federal Highway Police are among the one hundred measures defined by the National Anti-Piracy Council to deal with this crime.

The Council, composed of representatives of the government and private enterprise, is working with three approaches: awareness, repression, and economic issues.

In the first, the idea is to show the population that money spent on illicit products ends up in the hands of organized crime.

The president of the Council, Luiz Paulo Barreto, executive secretary of the Ministry of Justice, alerts that piracy does not create jobs.

"To the contrary, it causes jobs to be lost in the direct productive chain. Products that could be made in Brazil, with Brazilian labor, distributed in Brazil by Brazilian employees, and sold in Brazil by Brazilian establishments are simply being manufactured abroad and sold at stands by street vendors. The profits go only to organized crime and not to the society and the productive sector as a whole," he said.

With repression, he added, the focus will not be on the street vendors but the distributors and producers.

"The problem is that, at present, since the activity is dominated by organized crime, the networks of production and distribution of pirated products must be attacked. That is the only way we shall succeed in dismantling the scheme," Barreto affirmed.

One of the Council's intentions, he added, is to seek alternatives for street vendors who sell contraband goods.

Another measure is to step up the extradition processes for foreigners who commit crimes against intellectual property.

According to the secretary, Brazil is a haven for members of the Lebanese, Chinese, and Korean Mafias involved in piracy.

In the economic sphere, one of the ideas discussed by the Council is to diminish price differences between contraband and legitimate goods.

Another measure defined by the Council is to create a data bank with figures and statistics to determine the dimensions of piracy in the country.

Barreto estimates that up to 54% of the CD's in Brazil are pirated. Repressive actions also demonstrate that the practice of the crime has increased.

In January the Federal Revenue office in the city of Foz do Iguauçu, in southern Brazil, seized US\$ 3.6 million (9.5 million reais) in merchandise in the Triple Frontier region (Brazil-Paraguay-Argentina) - 92% more than in January, 2004.

Last weekend, the Federal Police in São Paulo discovered a scheme involving the illegal importation of clothes. They seized over 30 tons of merchandise, estimated to be worth between US\$ 1.1 million (R\$ 3 million) and US\$ 1.5 million

(R\$ 4 million).

In January, too, in the port of Suape, in Northeast Brazil, the Federal Revenue Agency seized 50 thousand watches bearing the brand names Rolex, Adidas, and Swatch, as well as around 10 thousand purses with the labels Louis Vuitton and Fendi. All of these products were phoney.

Translation: David Silberstein
Agência Brasil