

PANELISTS DEBATE

Alvise GIUSTINIANI

Now, before I open for questions from the public, maybe I'll ask one more question to the panelists. Clearly, illicit trade is a complex problem in terms of dimension, across borders, and in terms of actors, especially nowadays when it comes to intermediaries in e-commerce platforms. So, there is no easy solution to put an end to illicit trade. However, there is a comprehensive solution where each actor can play a role, and together we can fight. In your view, what are the most important things that you would like to see different actors do in order to fight illicit trade? We know there is no silver bullet against illicit trade, but what do you consider to be most important?

Jean-François THONY

In my view, and this is extremely important, the fight against illicit trade cannot work without the private sector's full collaboration because the private sector is at the center of international trade. The private sector knows how to fight illicit trade the most effectively. Today I'd like to call on people in the private sector because many of them are here. Participate in this effort, help us build an international legal framework and support the work being done to effectively set up this mechanism.

Alvise GIUSTINIANI

Okay, it is clear we have the private sector here. I come too from the private sector, so I'll give my opinion as well.

Laurent MARCADIER

I was happy to hear Mr. Thony's remarks because it is extremely important to dispel the mistrust between the public sector and the private sector. All of us around this table are like bridges. We meet with public, legal, police, customs and administrative officials to help them and offer them our assistance. The LVMH Group has signed cooperation agreements with certain customs or police authorities at global level to share information, which is really the basis for any form of progress in the fight against counterfeiting. Another point: I am convinced that solutions exist and I believe that good practices must now be shared at global level.

For example, I find it paradoxical that in order to obtain the mass seizure of domain names from counterfeiting sites, I am forced to take action in the United States because an American judge will allow me to seize blocks of 1,000, 2,000, 3,000 counterfeiting sites, as well as to seize the money held in Paypal or Alipay accounts associated with them. In contrast, when I go to a French judge, I am only allowed to seize site by site, one action for one site, without the possibility of seizing the money.

In conclusion, I believe that the crux of the matter lies in our ability to seize criminal assets in order to actually destabilize these transnational criminal networks as much as possible.

Alvise GIUSTINIANI

So, more cooperation you believe... Carlos?

Carlos MOREIRA

As a technologist, I am always optimistic. I think the fourth industrial revolution is going to solve a lot of the problems we have because by the year 2020 which is next year in a few months, we are going to have already 20 billion of objects connected to the Internet. But the year 2030, we are going to have one trillion of objects connected to the Internet. This room now maybe has about three hundred objects connected to the Internet. At this conference in ten



years' time we will have something like three to four thousand objects connected to the Internet: your clothing, your watches, your glasses... Everything will connect to the Internet and everything will have something inside that make that object unique and make these objects very difficult to counterfeit because one thing is counterfeiting the physical aspect of the object and another thing is to counterfeit its digital soul of the object which is what is all about. I think what we need to do now is to establish very clear instructions on how companies can start to get themselves ready towards that revolution. The fourth industrial revolution affects everybody. So these last two years in Davos, we launched the anti-illicit trade declaration which is a technology declaration and basically is signed by corporations that then comply with the principles of technology on how brands and governments can work together into creating the right synergies to reduce illicit trade globally. And then you have organizations like PMI Impact and others that are really creating multi-stakeholder approach as this cannot be solved only by regulatory bodies or technology bodies. We need to work together. The big opportunity is that by resolving illicit trade you also resolve the issues related to the United Nations' SDG. You are in a situation where poverty alleviation is crucial and where 1.2 billion people don't have a digital identity or a national identity yet. So the sustainable development goal will never succeed if we don't solve the illicit trade issue. So I think we need international cooperation and being sharp focused on technology development because technology is the enabler of the other.

Alvise GIUSTINIANI

If I could share my opinion on this. As I mentioned before, there is no easy solution. There is no silver bullet. I believe, first of all, that everybody has to take a look at themselves, and think what our own organizations can do. At Philip Morris International, we are doing the three "knows": Know Your Customers; Know Your Vendors; and Know Your Payments, in order to do business with the right people. We incorporate technology –tracking and tracing– in all our products. As a company we are doing a lot, but I also believe that the solution lies in partnerships, and the panelists mentioned that. Private-public partnerships are the only way to really have a coalition, each one doing his/her part in order to fight illicit trade. In that direction, Philip Morris International launched a global initiative called PMI IMPACT, which provides grants to organizations –be that NGOs, law-enforcement, public or private sector– in order to fund projects aimed at fighting illicit trade, not only on tobacco but any sector, because they are all interconnected. We need to find a coalition of willing partners to fight this. Public-private partnerships are clearly, in my view, the way ahead but each one has to do its own part, and not only point the finger to law enforcement or to the Amazon of this world.