

COUNTERFEIT PRODUCTS: A FIGHT TO THE END

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First, let's determine the definition. The term 'counterfeit' usually means a new product, made on the same basis as an existing original product, but with intellectual rights infringement. This is an offence that could evoke criminal liability. However, for this article the term is used in the context of the quality of products bearing the name of the manufacturer. It's important not to confuse defective goods with counterfeit goods. Even though consumers treat these two definitions similarly, inferior quality goods need to be replaced as there are quite significant differences between them. Counterfeit products are deliberately manufactured violating the set requirements, with the intention of financial gain. It is impossible to produce good quality goods using bad quality raw materials, therefore such products are considered to be counterfeit. On the other hand, defective goods can still be made from good quality materials by inadvertently utilising the production technology incorrectly.

One sometimes can get an impression that production and supply of counterfeit in such large volumes we face today is not only the desire of dishonest producers or suppliers to reduce costs but someone's malicious intent to totally destroy the remaining USSR assets we inherited.

Consider the fact that before the two crises that occurred in the last 15 years, counterfeit products were occasionally found at construction sites but the problem was not extensive. In contrast, today it has become systematic, economically justified and ideologically supported. It is common for producers or suppliers to use the following logic: "What do you expect?! It is a crisis, everybody cuts costs, so we survive the way we can. If they start to expose us, we will complain for entrepreneurship oppression."

This attitude causes a whole range of problems. Remember the saying 'cheapest is dearest'? However, our current problems are not only about greed; there is a system imbalance.

Next there is the issue of low estimated prices for materials because the monitoring of current prices is conducted by the centres for price formation and gives average market prices. The prices from producers of good quality goods are considered along with those from the producers of counterfeit. The end result is that construction companies have to purchase products knowing their budget is insufficient. When the goods are bought from the supplier (rogue company as a rule) but not the producer, then claims for quality issues have nowhere to go. Such companies then become bankrupt to avoid responsibility.



Pic. 1 Some producers do not hide the fact they make pipes out of counterfeit raw materials (photo from the website: www.primpolimer.ru)

Some construction companies manage to purchase quality materials by including the cost of works they will not do or materials they will not buy into their estimates. But this practice is illegal and should not be done!

What this all means is that the system works in such a way that it forces construction companies to purchase counterfeit goods.

This is the problem that almost every producer of industrial materials faces in our country. Building mixes are another example. As a rule, fake cement and plaster gets mixed with various fillers, such as slag, lime, chalk and, of course, dolomitic and sometimes roadside dust. Naturally, one can only guess the bonding quality of such mixes and can never expect a building or a structure built using these materials to last.

One of the consequences of using such mixes is the unacceptably low quality of most modern concrete pipes. This not only depends on the quality of mixes but the quality of reinforcement (the wide use of fibreglass reinforcement causes a great concern, as its long-term performance in stress conditions has not been studied enough), grade, gravel composition and technology. Some pipes produced with violations when curing cement. Here you can sometimes see damp pipes which inevitably suffer micro cracks during handling, transportation and installation, and then grow into even bigger cracks. Sometimes the technology is simply not suitable for the materials used (movable/ unmovable moulds, vibration-rolled method etc).



Pic. 2 Reworked polyethylene raw materials can be used for the production of packaging, roofing materials, cans and other goods. They cannot be used for the production of pressure pipes! (The picture was taken at Noginsk Plant of polymer materials)

In these situations, we recommend comparing the product requirements with the quality statement and testing results.

The dominance of counterfeit results in the rapid destruction of infrastructure, yet the depreciation of our buildings is planned assuming good quality construction materials were used. All this happens amidst a worsening economic situation in the country.

Some bags with 50 kg mark often contain 45 kg and the customer is tricked. It is clearly not as critical as the building collapsing in 10 years instead of the expected 50 years, but it is still unpleasant.

All these systematic problems are true for plastic pipes industry:

1) Often the pipe is made of cheap non-pipe grade counterfeit material with an unpredictable operating life (several times shorter than required);

2) The marking, in the best-case scenario, shows the pipe is produced according to GOST regulations but with a 'technical' note. This, in accordance to GOST, doesn't constitute exemption from the use of pipe grade materials. However, the producers for some reasons think they can add whatever they want;

3) The marking is hard to read or totally absent. This does not comply with GOST, as it is hard to identify the producer;

4) The geometrical dimensions of pipes do not comply with GOST (diameter and thickness are less than nominal). There were some cases when instead of SDR 17 pipes, SDR 26 were supplied (while the marking showed SDR 17). This is deception for financial gain. These pipes are also designed for lower loads.

There are some cases when the producer deliberately marks counterfeit products as GOST certified for water or gas – but this is a criminal offence as these products can cause harm to human health.

Some producers don't even hide that their pipes are produced using counterfeit raw materials. For example, see the picture published on the website of Primpolimer (Khabarovsk Region). It is very clear that the pipes are made of a mix of uncoloured PE and black super-concentrate (Pic. 1) which is in violation of GOST.

If no action is taken in relation to these problems, we risk seeing the collapse of our asset infrastructure. The action plan should therefore be as follows:

1. The most efficient way of fighting counterfeit production is to make it unprofitable or imply irreversible consequences. As hopes for elimination of economic feasibility collapsed after the Eurasian Economic Commission refused to zero import duties for pipe grade PE, then we must bring each counterfeit case to justice. Court procedures should be applied everywhere and not limited to fines for bad quality of products, payments for expertise and courts fees. The court should take into consideration the loss of opportunity (standby of construction sites, salaries, untimely expenditure, equipment standby, monetary depreciation, in agriculture – the loss of harvest etc.).

2. In cases of deliberate production and supply of counterfeit products (knowingly bad quality products) it is necessary to get the authorities involved, such as Rospotrebnadzor (Russian Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing), RusAccreditation and others. Producers, certification and the lab authorities who approved compliance to standards should all be checked and the causes identified. If it turns out that production of bad quality goods was systematic and deliberate (i.e. we are not talking just about bad quality but counterfeit), then the appropriate measures should be taken, such as revoking the compliance certificate and accreditation, issuing an order to suspend production, and launching a criminal investigation (if supply of such products could cause harm to human health).

3. support for counterfeit is required including wide media coverage of the cases of counterfeit detection, and an explanation of the consequences of their application. All interested parties should be informed about the mechanism and procedures that help to establish counterfeit goods and make producers and suppliers responsible for their actions. The industry community of producers of plastic pipeline systems suggests using the data platform of "Promotion of quality plastic pipeline systems", non-commercial partnership at <http://www.plastic-pipes.ru>.

This struggle will be long and hard but there is no alternative. This must be a fight to extermination, otherwise it will simply become a fight for the fight's sake (as it often happens). We urge all parties concerned – producers, suppliers, laboratories, certification and accreditation centres, design, construction and operating companies and governmental bodies – to unite in this fight.