



Association
of European
Businesses

Press-release

Moscow, 21 April, 2015

The Association of European Businesses Press Release on Parallel Imports

The Association of European Businesses (AEB) is deeply concerned by a relaunched discussion on parallel imports' legalization.

The Association of European Businesses does not support the liberalisation of parallel imports, neither in general (across all sectors) nor individually (by means of "pilot projects"). The AEB notes that currently, it is difficult to calculate which sectors of the economy stand to benefit and which may suffer. The AEB also advocates against differentiation in the application of international standards on trademark right exhaustion (companies producing locally will be protected from parallel import) insofar as it is not entirely clear how specific exceptions can be applied in practice with regard to timeframes and products. The AEB believes that such experiments are extremely risky, particularly within the framework of an economic crisis.

According to Dr. Frank Schauff, CEO of the AEB, "the liberalisation of parallel imports can negatively reflect on investments. It will not also facilitate the implementation of import substitution nor localization». Besides the liberalisation of parallel imports can result in job loss and the loss of tax and duty payments

AEB also cautions that in the event of parallel import legalisation, consumers will not be guaranteed appropriate product quality or information. In case of parallel imports there exist a danger for safety and health of the customer. Increase in risks for import and purchase of goods not intended for the Russian market. This is particularly dangerous for consumers of medical products and technology as well as automotive components. Parallel imports will weaken internal market protection from unfair competition and proper quality control.

AEB notes that the long-term advantages of parallel import liberalisation are not particularly substantiated by price fluctuation projections. The study by GFK-Russia showed that retail prices did not change at all.

Furthermore, regional trademark right exhaustion was confirmed by the Eurasian Economic Union (EEU) Protocol "On Security and Rights of Items of Intellectual Property", which came into effect on 01 January 2015. Any changes would reflect negatively on the consistency and stability of EEU regulations including Russia.

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