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CONSUMER PRODUCT SAFETY IN INFORMAL MARKETS UN TRADE AND DEVELOPMENT
The Shadow Market: understanding Brazil's Informal and Illegal Economies

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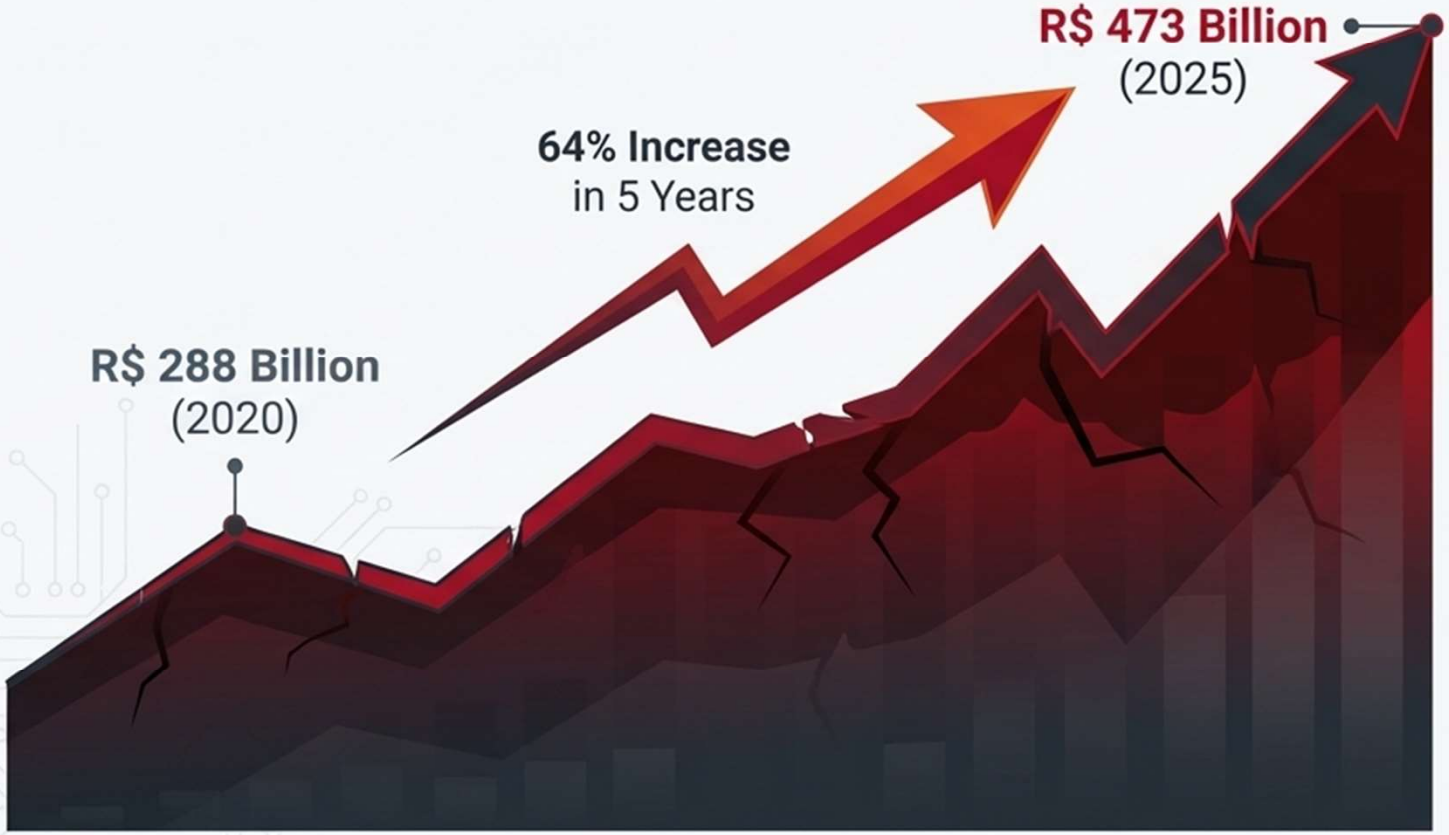
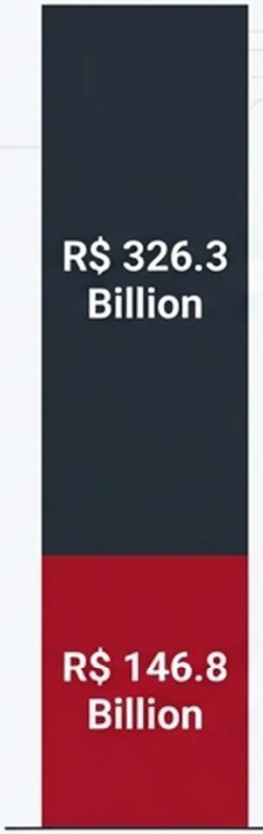
THE CHALLENGE OF INFORMAL AND ILLEGAL PRODUCTS IN BRAZIL

• KEY INSIGHT: The Brazilian shadow economy **is not a marginal issue; it is a parallel economic** system that outcompetes the formal sector, drains state resources, and actively funds territorial organized crime.

A Multi-Trillion Real Drain on National Potential
(U$ 430 Billion –(Informal + Illegal))

The Illegal Market Surge: A 64% Explosion





2025 total
Direct financial losses across 15 key industrial sectors.

Total tax
Billion
Total tax evasion (stolen public funds).

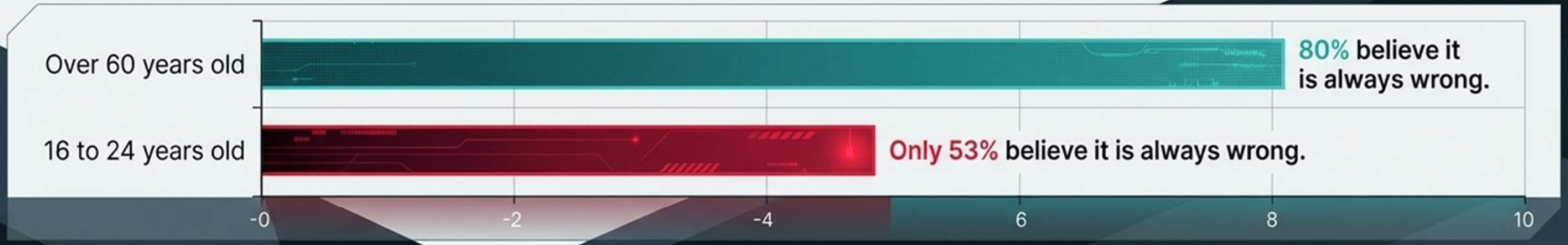
Context: The illicit market grew three times faster than the formal economy between 2014-2021.

The Youth Paradox: Conscious Consumption of Piracy

The Behavioral Gap

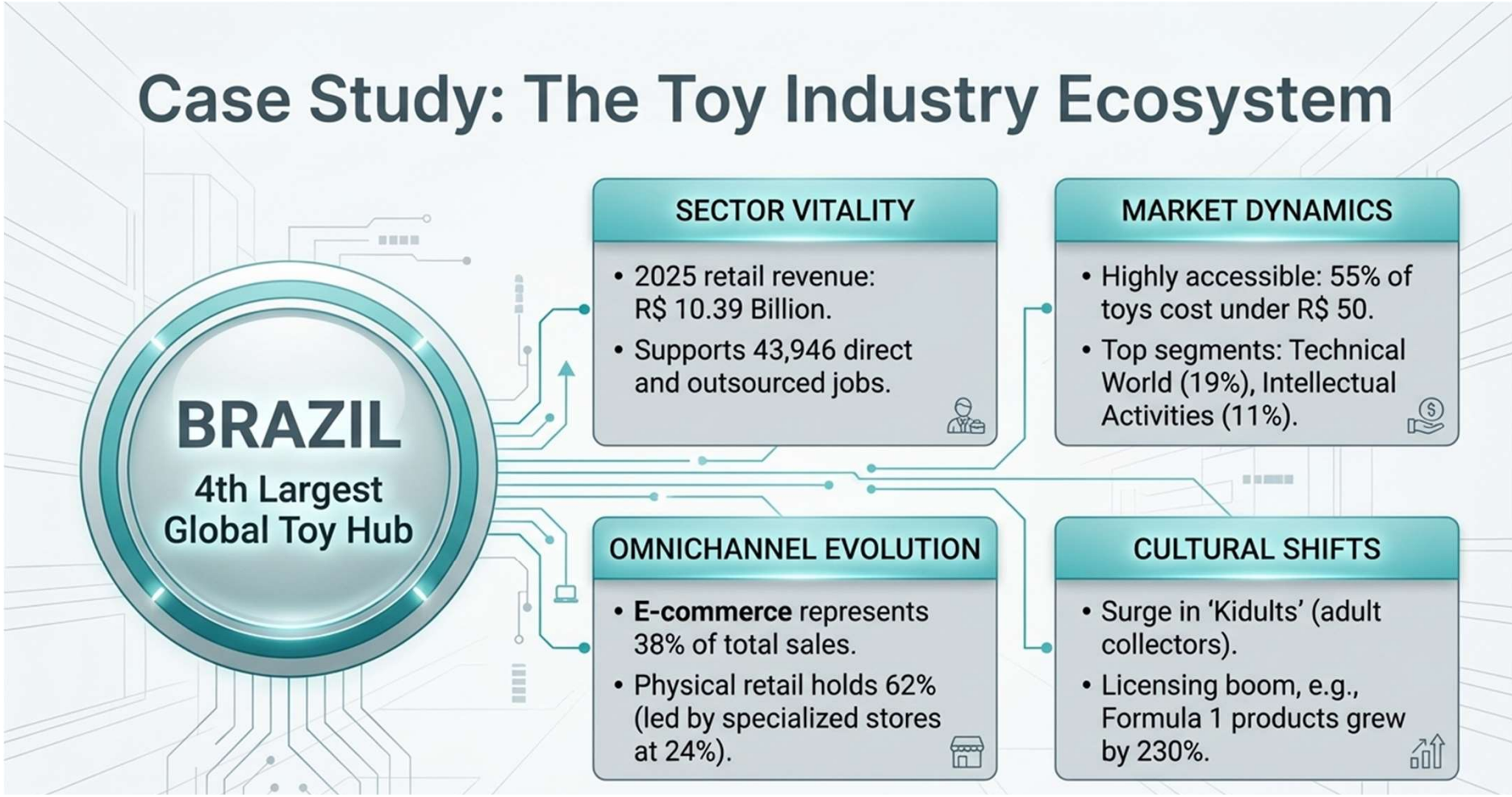
32% of youth (16-24) admit to consuming pirated goods “always or sometimes”.

The Moral Disconnect



KEY INSIGHT: Young consumers are the most capable of identifying a pirated product at the point of sale. Their consumption is not driven by deception, but by deliberate choice and moral detachment from the systemic consequences.

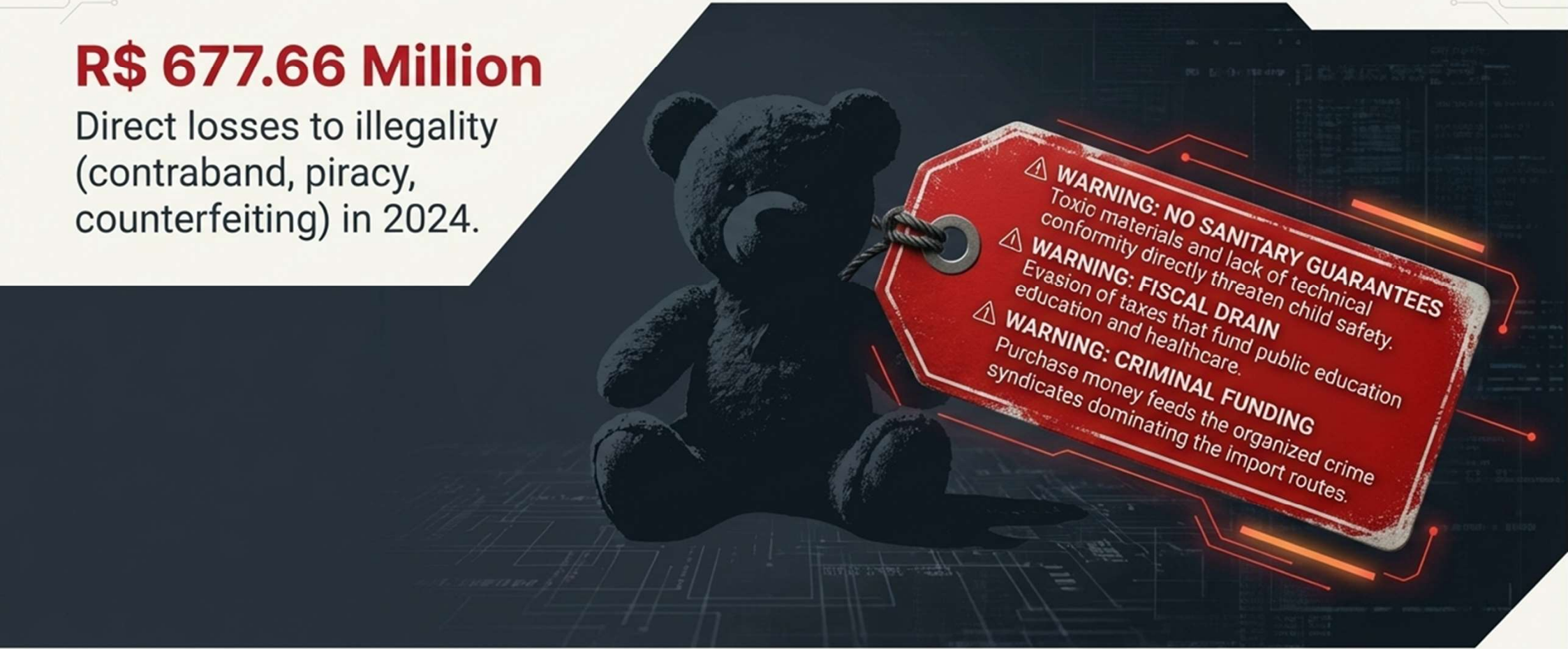
While electronics and cosmetics are common, **toys** and **senior age products** represent two extremes of "vulnerability" that informal markets exploit through distinct mechanisms. In informal markets, these products are dangerous because they bypass the mandatory testing labs (small parts, impact, bite, tension, chemical, etc.).



The Piracy Threat to Toys

R$ 677.66 Million

Direct losses to illegality (contraband, piracy, counterfeiting) in 2024.



The Enforcement Response: Targeting Structural Fraud

18,020 anti-smuggling operations executed by the Federal Revenue

U$ 750 Million in irregular goods seized

Inmetro directive for monitoring the electronic marketplace; Inmetro Digital Label; Digital Police Office (Inmetro's Digital Guardian)

Actions of Inspections in 2024 by Inmetro System: 280,993 actions. Irregular Products 742,492 removed from the market

National joint Agency Inspection (Inmetro, Anvisa, ANP, MAPA)

"Inmetro na Palma da Mão" (Consumer Empowerment) and Educational Campains to Change Consumer Behaviour

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