Socio-economic Impact of Geographical Indications

Worldwide Symposium on GIs - WIPO
6 September 2021

Tanguy Chever - AND International
AND International

Consulting company
Located in Paris, operating at international level

Fields of expertise:
- Agri-food and seafood value chains
- Economic & environmental studies
- Evaluation of public policies

Studies on GIs for the DG AGRI of the European Commission:
- Study on economic value of EU quality schemes, geographical indications (GI) and traditional specialities guaranteed (TSG) (2019)
- Evaluation support study on geographical indications and traditional specialities guaranteed protected in the EU (2021)
Key figures (2017 data, EU 28)

- **More than 3 000 GIs at EU level**: agri-food, wines, spirit drinks and aromatised wine products
- **74,8 bn€** sales under GI (EU 27: 69,4 bn€)
- GIs and TSGs accounted for **7% of the EU food and drinks sector**
- 58% of sales on **domestic market**, 19% on **intra-EU** and 23% to **third countries**

Source: Study on the value of GIs/TSGs, AND-I for the DG AGRI of the European Commission
Economic features of the EU GIs

- GI promoted as an **IP tool since the 19th century** for products marketed out of their production area
- GIs fostered by **EU wine policy** since the 1970s, with market regulation objectives
- Since the **1990s**, GIs promoted with **rural development** and **protection of resources** objectives
- Importance of processed products: **wine** (39 bn€), **spirit drinks** (10 bn€), **cheese** (9 bn€) and **meat products** (4 bn€)
- Some **very large-scale GIs**: 9 GIs over 1 bn€ = 27% of the total turnover under GI
- Registration of **many GIs in all sectors**, IPR not necessarily being the main objective
- Many **small-scale GIs**: 50% of GIs under 1 M€ = 0,5% of the total turnover under GI
- At least **1 GI in each Member State**

Based on “Qualité, origine et globalisation: Justifications générales et contextes nationaux, le cas des Indications Géographiques”, Sylvander et al., 2006 and Study on the value of GIs/TSGs, AND-I for the DG AGRI of the European Commission
Benefits of GIs on price and income

• Wide range of **possible benefits** of the GIs for stakeholders, but **not systematic**

• **Price / value premium** (= market differentiation ≠ higher income)
  – Impact on **price at agricultural stage** for 55% of GIs (electronic survey)
  – GI products sold at a **value 2,1 times higher** than comparable non-GI products (aggregated at EU level)
  – Premium tends to be higher for **processed products**

• **Producers' income:**
  – Positive **impacts on income** for about 50% of the GIs (electronic survey)
  – **Wine** (based on EU accountability data) : positive impact of GIs at EU level and in the main Member States

Source: based on Study on the value of GIs/TSGs & Eval of GIs/TSGs, AND-I for the DG AGRI of the European Commission – electronic survey with 400 producer groups and accountability data in the wine sector (FADN)
Clustering of GIs based on price premium and size of GIs

- **« Niche market »**
  - Low volume / high premium
  - 40% of GIs

- **« Flagship GIs »**
  - High volume / high premium
  - 16% of GIs

- **« Questionable attractiveness »**
  - Limited volume and premium
  - 28% of GIs

- **« Signature of a production area / quality management »**
  - Medium or high volume / low premium
  - 17% of GIs

Own elaboration based on Study on the value of GIs/TSGs, AND-I for the DG AGRI of the European Commission