Socio-economic Impact of Geographical Indications

Worldwide Symposium on GIs - WIPO
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ANU CES / work on GIs

• The Australian National University’s research is independent

• Major review of empirical evidence on the impact of GIs
  : funded by EU Erasmus + Programme (Jean Monnet project)
  : **Understanding Geographical Indications**

• Policy work on trade treaties and GIs
  : submissions to AU government  https://tinyurl.com/AU-EU-submissions  (Moir)
  : seminars and webinars  https://tinyurl.com/JM-GIs-outcomes
  : GIs in China and East Asia  https://youtu.be/vKlcANFE8SU

• Work-in-progress
  : Settlement density of cheesemakers in Italy and Australia
EU GIs: their impact

KEY ISSUES in measuring economic impact of GIs:
• Market size
• Net producer revenue
• Regional prosperity

BUT EU collects inadequate data
Don’t know where can get a sufficient premium – not by product nor by country
Don’t know how best to combine GIs with other regional development policies
Key resource materials

Two recent AND-International reports for EC:

• Study on economic value of EU quality schemes (2019, 2021) (updates 2012 report)
  https://tinyurl.com/EU-GI-study-2019

• AND-Int’l evaluation report on GIs (2019, 2021)
  https://tinyurl.com/EU-GI-evaluation

• Case studies identified in Török et al., 2020
  https://www.mdpi.com/2071-1050/12/22/9434
Market size: EU GI products

- GI sales value **needs context**
  - total food and drink (f&d) sales/exports
- GI share of EU f&d sales – 5.7% (2010) → 7.0% (2017)
- GI share of EU f&d exports – 15.2% (2010) → 15.5% (2017)
  - Foods only: – 1.6% (2010) → **na** (2017)
- GI **foodstuffs**: national other EU outside EU*
  - 78% → 75% 15% → 18% 6% → 6%
  - *outside EU includes EFTA, Switzerland.
- Less contextual data in the 2019 report

Impact on net producer income: price premiums

- Price premium must exceed higher costs
    - no data in report on higher production costs
  - All foodstuffs $\rightarrow$ 1.50 (2010) $\rightarrow$ 1.48 (2017)
  - cheeses $\rightarrow$ 1.65 (2010) $\rightarrow$ 1.60 (2017)
  - Beer $\rightarrow$ 1.27 (2010) $\rightarrow$ 1.26 (2017)
  - Dutch fresh fish 2.36
  - UK fresh fish 1.15
  - German beers 1.47
  - Czech beers 0.79

- Main contributors to overall premium are France and wines

Impact on producers: case studies

• Different outcomes for similar products in different regions

• Can wine premiums transfer to foods?
  ➢ maybe for coffee, some meats and cheeses

• Higher costs for GI production eat premiums
  ➢ little data on higher GI production costs

• Who in value chain benefits?
  ➢ variable findings

Impact on regional prosperity: EU evaluation

• Data quality issues – non-representativeness; opinions – mainly based on wine industry
• Wine industry – FADN data – higher wine producer net incomes, but not in all MS
• Faster sales growth for GIs (but product reclassifications?)
• Possible product diversification
• Synergies with tourism

Impact on regional prosperity: case studies

• Sum of impacts on producers, plus any synergies
• Few case studies have hard data
  • Impact on employment (but at what wage?)
  • Attach higher incomes to producers; attract consumers to producing area (Tuscany, 3 products)
• Extended regional development strategy
• Smaller producers may have more positive impacts
• Badly designed GI can have negative impact

Successes and failures: all GIs

• high premiums: high volume 16%
  - Parmigiano Reggiano

• high premiums: low volume 40%
  - essential oils

• limited premiums: limited volume 28%

• limited premiums: moderate sales 11%

• low premiums: high volume 6%
  - Fresh meat

Data deficiencies

• EU GI databases: formalities only – no economic data
• AND-Int’l studies – estimates for 37%-48% of data
• Main report refers to database of GI economic data
  ➢ but not publicly available
• Evaluation/report recommendations on data
  ➢ similar recommendations made in 2012
• Case study approach
  ➢ no evident plan to put these on systematic basis