

SOCIO-ECONOMIC IMPACT OF GEOGRAPHICAL INDICATIONS

**WORLDWIDE SYMPOSIUM ON GIS - WIPO
6 SEPTEMBER 2021**

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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**
 - main (2018) report available at: tinyurl.com/GI-evidence
 - updated summary in *Sustainability*, 12:22: <https://www.mdpi.com/2071-1050/12/22/9434>
- Policy work on trade treaties and GIs
 - : Publications: *Journal of World Trade*, 51:6 <https://tinyurl.com/JWT2017-Moir>
 - : 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/vKlCANFE85U>
- 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%
- Less contextual data in the 2019 report

* outside EU includes EFTA, Switzerland.

Source: EC commissioned Reports by AND-International 2012 (2005-2010) and 2019 (2011-2017) on the Economic Value of EU Quality schemes.

Impact on net producer income: price premiums

- Price premium must exceed higher costs
 - overall – 2.14 (2010) → 2.07 (2017)
 - no data in report on higher production costs***
 - All foodstuffs – 1.50 (2010) → 1.48 (2017)
 - cheeses – 1.65 (2010) → 1.60 (2017)
 - Meat products – 1.53 (2010) → 1.71 (2017)
 - Beer – 1.27 (2010) → 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

Source: EC commissioned Reports by AND-International 2012 (2005-2010) and 2019 (2011-2017) on the Economic Value of EU Quality schemes.

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

Source: Áron Török et al., “Understanding the Real-World Impact of Geographical Indications: A Critical Review of the Empirical Economic Literature”, *Sustainability* 12:22, Nov 2020.

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

Source: Áron Török et al., “Understanding the Real-World Impact of Geographical Indications: A Critical Review of the Empirical Economic Literature”, *Sustainability* 12:22, Nov 2020.

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