# 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)

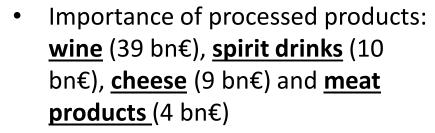
## Key figures (2017 data, EU 28)

- 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€)
- Gls and TSGs accounted for <u>7% of the EU</u> food and drinks sector
- 58% of sales on <u>domestic market</u>, 19% on <u>intra-EU</u> and 23% to <u>third countries</u>



## **Economic features of the EU GIs**

- GI promoted as an <u>IP tool</u> <u>since the 19<sup>th</sup> century</u> for products marketed out of their production area
- Gls fostered by <u>EU wine</u>
   <u>policy</u> since the 1970s, with
   market regulation objectives



 Some <u>very large-scale GIs</u>: 9 GIs over 1 bn€ = 27% of the total turnover under GI

Since the <u>1990s</u>, Gls promoted with <u>rural</u>
 <u>development</u> and <u>protection of ressources</u>
 objectives



- Registration of many Gls in all sectors, IPR not necessarily being the main objective
- Many <u>small-scale GIs</u>: 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

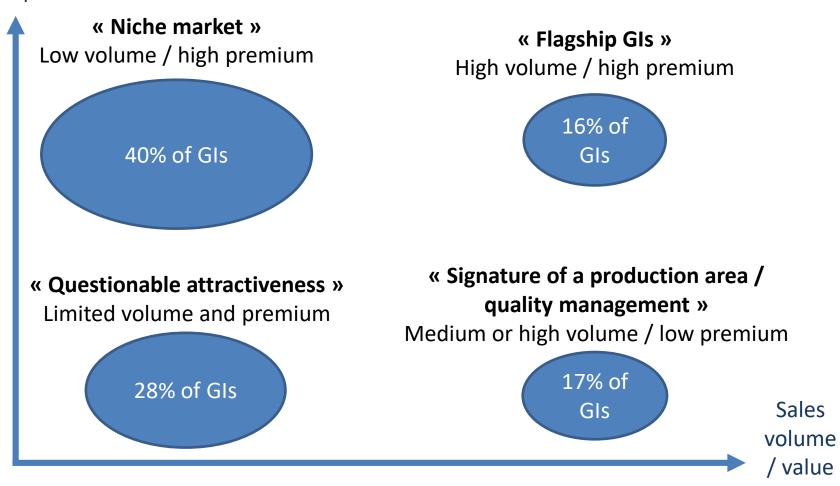
- Wide range of <u>possible benefits</u> of the GIs for stakeholders, but <u>not</u> <u>systematic</u>
- **Price / value premium** (= market differentiation ≠ higher income)
  - Impact on <u>price at agricultural stage</u> for 55% of GIs (electronic survey)
  - GI products sold at a <u>value 2,1 times higher</u> than comparable non-GI products (aggregated at EU level)
  - Premium tends to be higher for <u>processed products</u>
- <u>Producers' income</u>:
  - Positive <u>impacts on income</u> 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

Price premium



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