

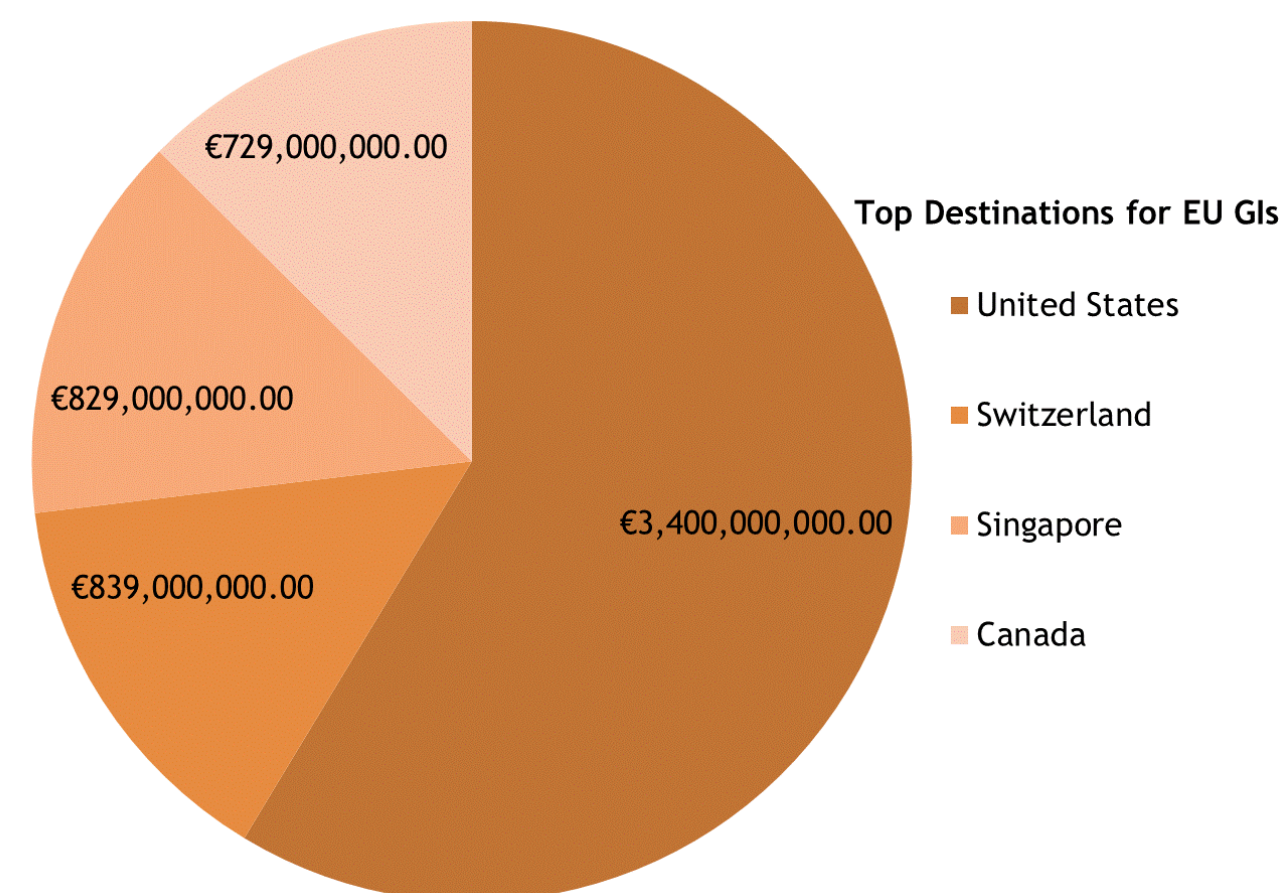
Geographic Indications: Mapping the Links Between Trade and Territory

BACKGROUND

Geographic Indications (GIs) are names or signs used on goods that have a specific geographical origin and possess qualities, reputation, or characteristics that are attributable to that origin. Frequently used GIs include Champagne, Florida Oranges, and Prosciutto di Parma. Agricultural products have qualities that derive from their place of production, and are influenced by geographical factors, such as climate and soil quality. *Terroir* - the sum of the characteristics the local environment imparts on a product - is frequently cited as a reason to protect GIs.

GIs promote rural development, protect producers and serve to communicate information clearly to consumers. However, GIs are emerging as a particularly contentious issue. The European Union (EU) and United States (US) differ in their legal approach to defining and regulating GIs.

As the EU and US approach negotiations for a new trans-Atlantic trade treaty, GIs present one of several stumbling blocks to achieving a comprehensive agreement. Under the current WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), all GIs are protected at a limited level, with wines and spirits enjoying a higher level of legal protection. The EU, along with several other countries including Thailand, Turkey, Sri Lanka, Kenya, and Switzerland are calling for this higher level of protection to be afforded to all agricultural and food GIs. In addition, the EU is pushing for a multilateral notification and registration system. As these proposals have not made much progress at the international level, largely due to opposition by the US, the EU pursued improved protection of GIs through bilateral and pluri-lateral trade agreements.



However, the United States (US) and the European Union (EU) are the two largest economies in the world, and currently enjoy the largest trade relationship. The US is the leading destination for GI products from the EU, accounting for €3.4 billion in imports. GIs comprise 30% of total food and beverage imports into the US from the EU.

Due to the controversial nature of GIs, negotiations may avoid discussion on GIs entirely. Transatlantic trade issues have global implications, as exporters are subject to the same regulations, and the US and EU represent a large market. In addition, developing countries are increasingly looking to GIs as a method for promoting sustainable rural development.

Resolving the GI conundrum, while challenging, would not only yield important gains for EU countries, but set the stage for a more coherent framework of classifying and protecting GIs globally.

METHODOLOGY

This analysis uses a political economy lens to evaluate individual country interest in expanding protections for GIs. Data was used from the European Commission Report "Value of production of agricultural products and foodstuffs, wines, aromatised wines and spirits protected by a geographical indication (GI)" to visualize several important factors in determining the relative interest of different countries in expanding GI protections.

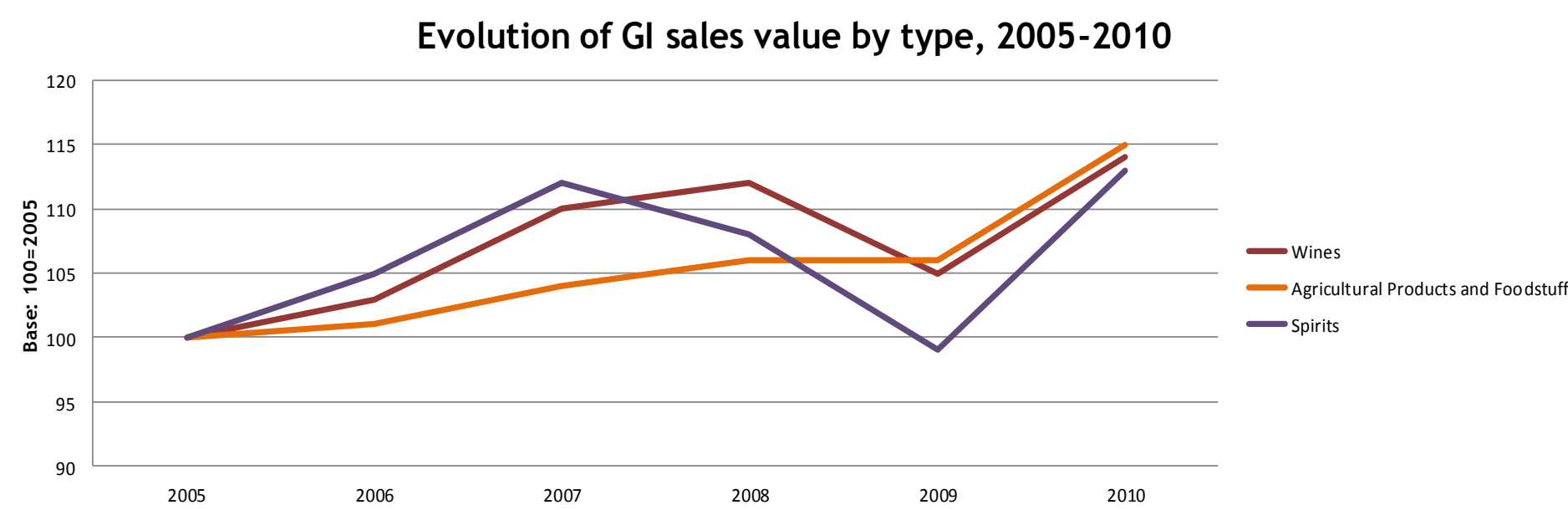
Factor 1: Total Value of GIs: The absolute sales values of all GIs per country. An indicator of the size of the GI market in any given country.

Factor 2: Total Value of Agricultural GIs: As wines and spirits enjoy a higher level of protection, the value of agricultural (and foodstuffs) GIs reflects the importance of expanded protection globally. In addition, as the timeline highlights, agricultural and food stuff GIs are growing in importance.

Factor 3: Total Sales Value of GIs as a Percentage of GDP: An indicator of the importance of GIs to the overall national economy.

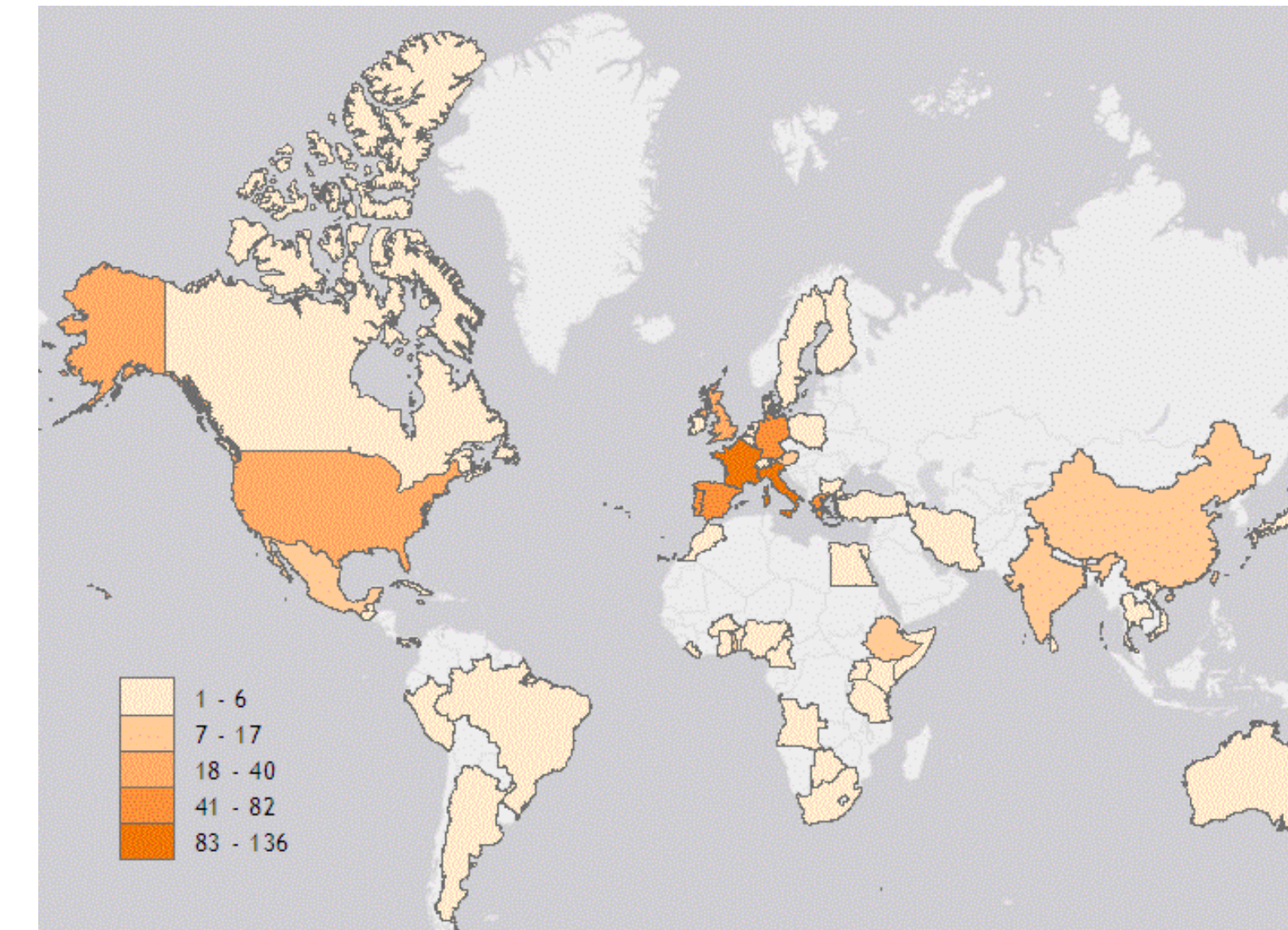
Factor 4: Share of GIs in National Food and Drink Sector: The closest approximation of the importance of GIs to national culture. Countries that consume more domestic GIs likely value cultural and heritage factors of these items.

Factor 5: Export Value of GIs (extra-EU): As GIs are already between countries within the EU, the export value outside the EU measures the importance of expanding GI protection through bilateral and multilateral agreements.



The five factors were then weighted and put into an index reflecting the relative interest of individual European countries in protecting GIs.

A major challenge of this analysis was obtaining data outside the EU. The dearth of data on GIs globally is reflective of the legal framework protecting GIs—messy, incoherent, and widely varied depending on the individual country's priorities.

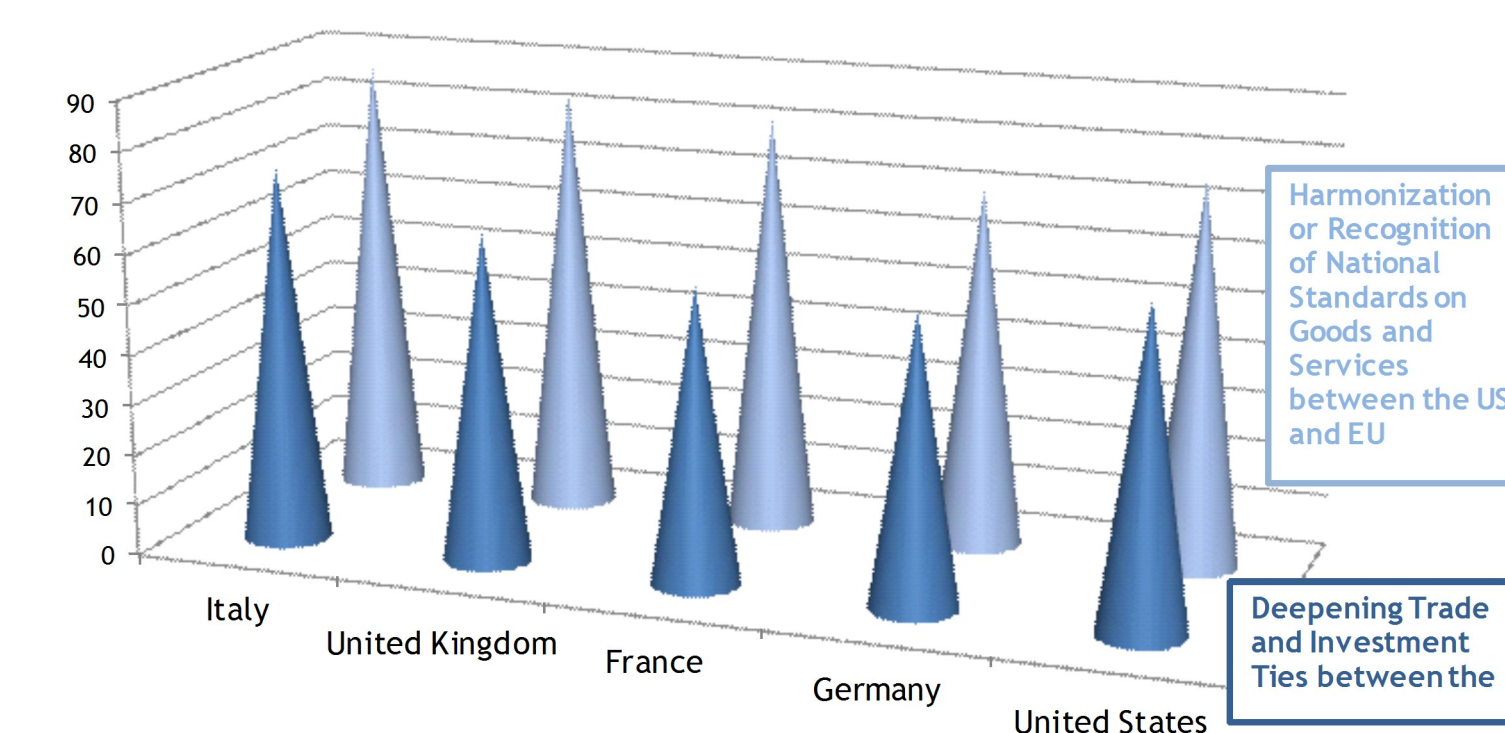


Number of Potential GI Agricultural Products (2004)

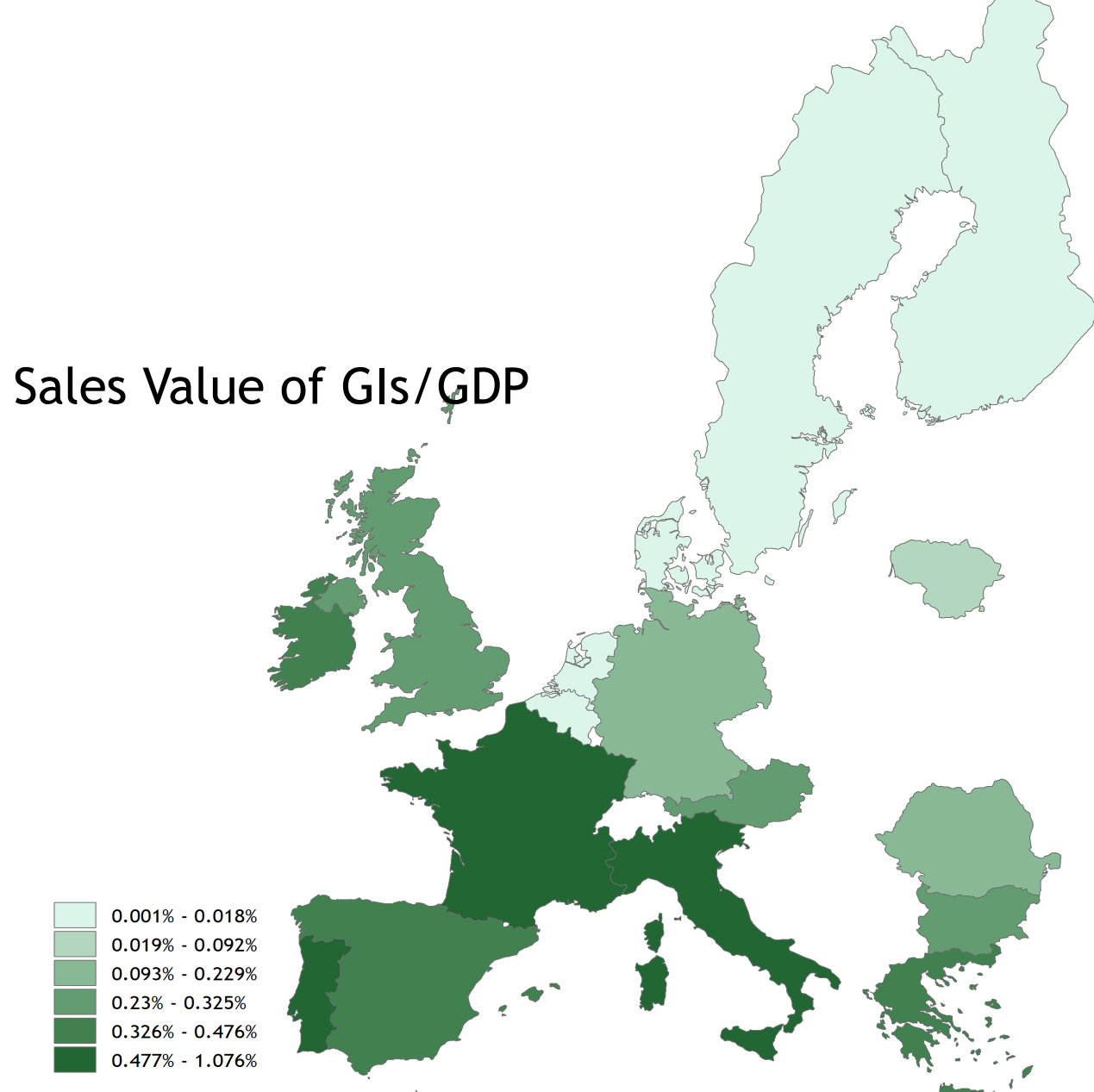
CONCLUSION

The larger economies of Western Europe - France, Germany, Italy, and the UK—all have high levels of interest in expanding GI protections globally. This is notable, as the public's interest in both increasing trade and investment ties, and harmonizing standards with the US is fairly high.

Understanding the legal, economic, and cultural justifications and frameworks for GIs is challenging. As GIs are more established in Western Europe, using some of these measures to evaluate the importance of GIs in individual countries serves to highlight the drastically different roles GIs play in individual economies. This series of maps offers a new way to visualize the role of GIs in these countries. With the right data, future analyses might hone in on the role GIs play in rural development on a country level. In addition, if more data were compiled on potential or pending GIs globally, a global analysis of interest in expanding GIs would provide insight in to any future multilateral negotiations.



Total Sales Value of GIs/GDP



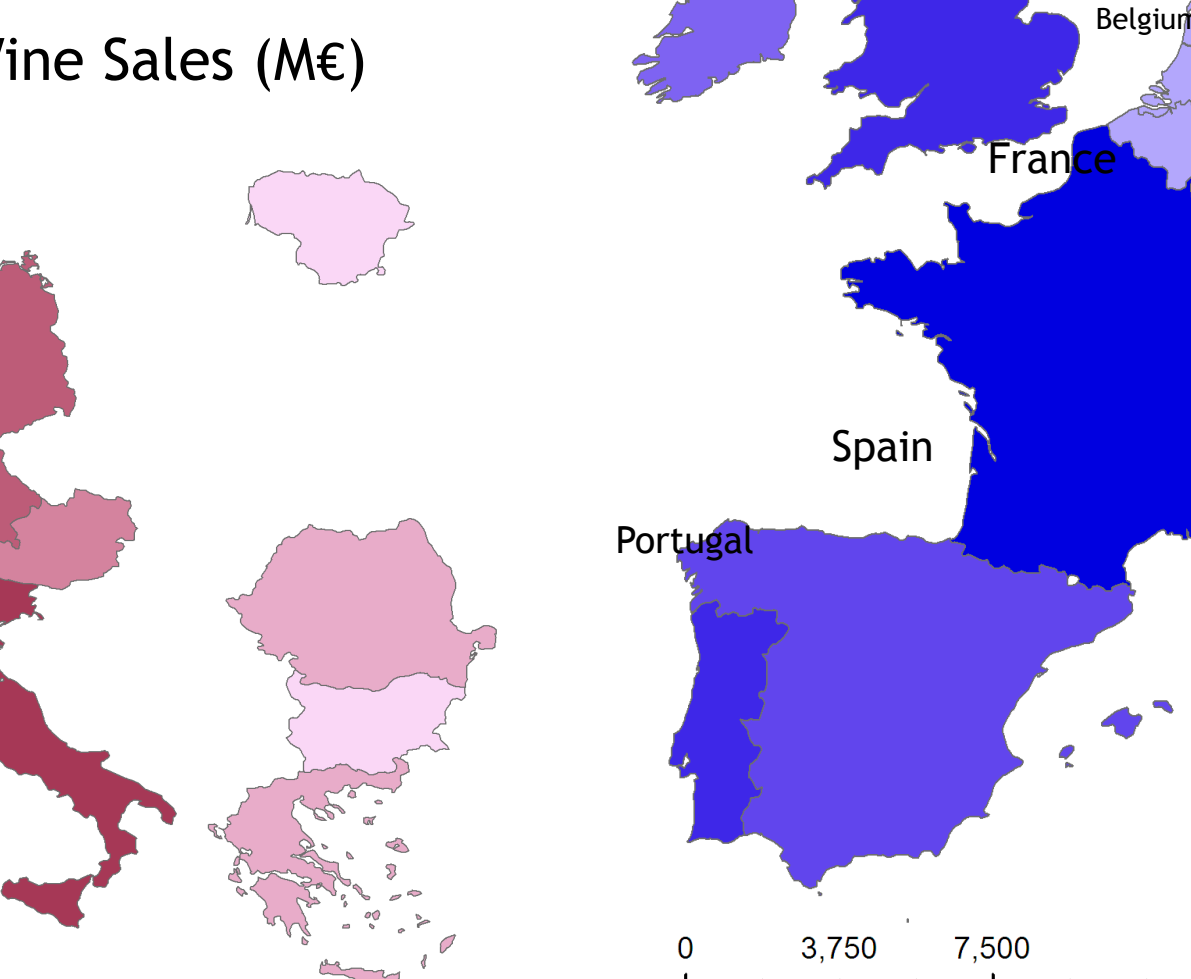
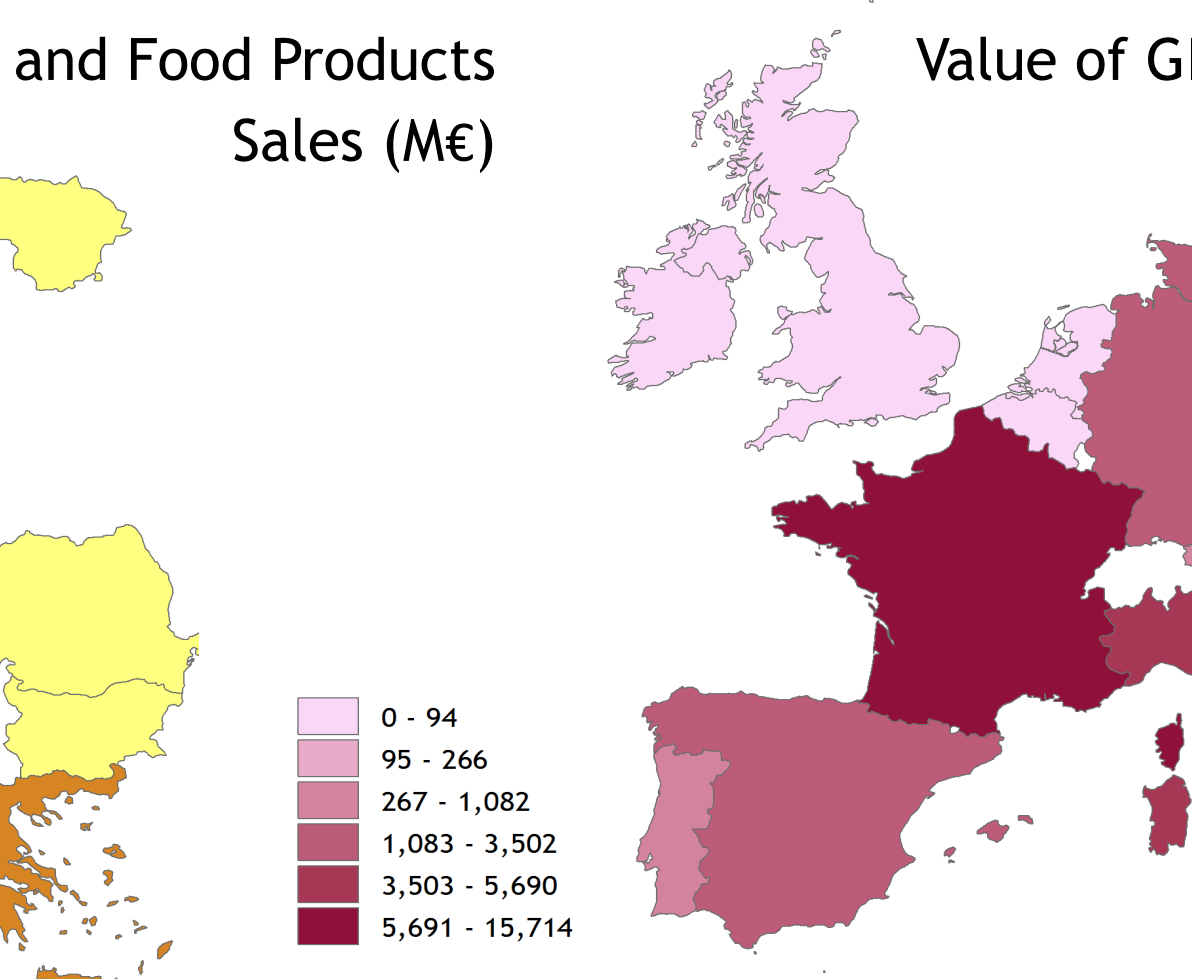
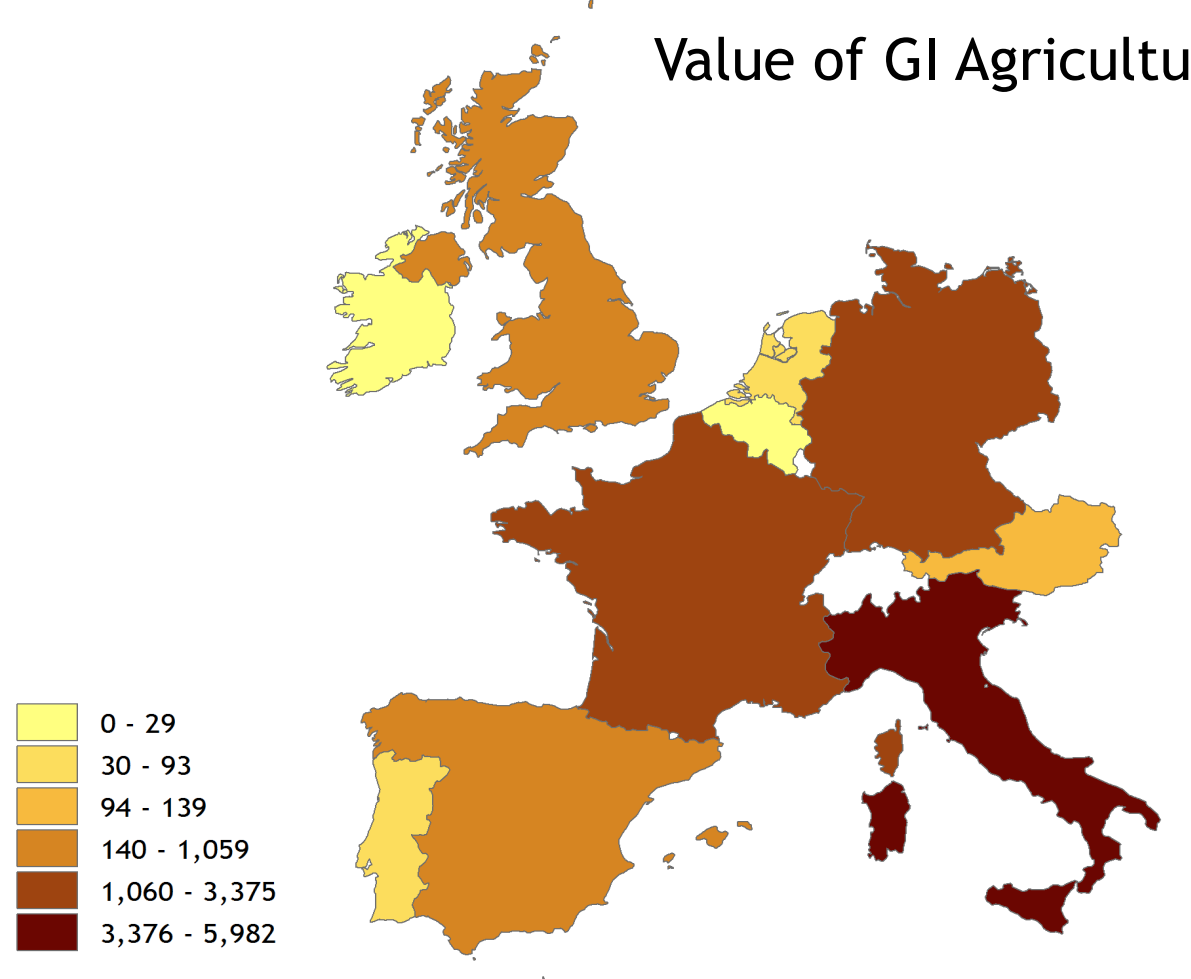
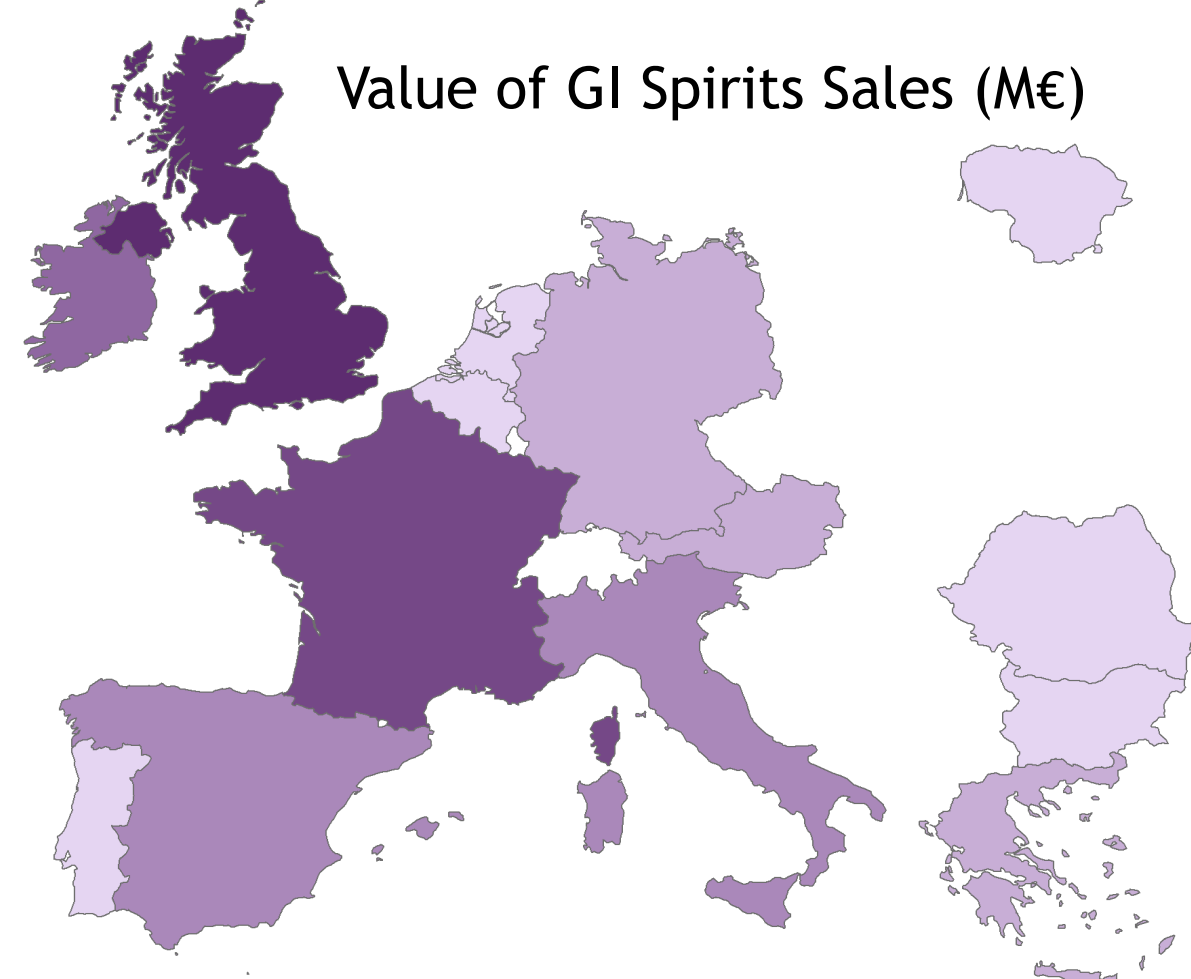
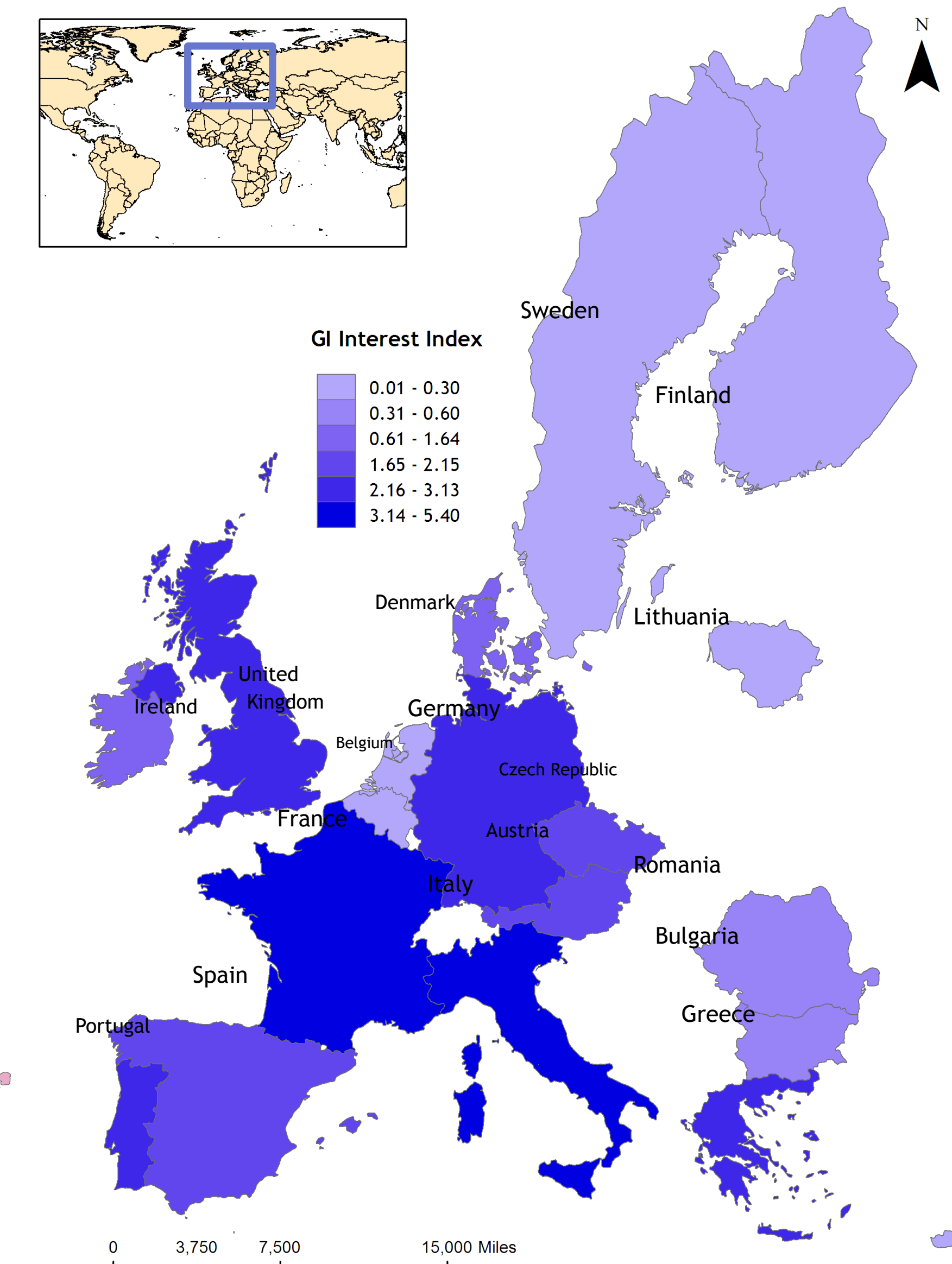
Share of GIs in National Food and Drink Sector



Extra-EU Export Value as Percentage of Total Sales Value



Interest Index in Promotion and Protection of GIs (2010)



Cartography by Christina Filipovic
May 3, 2013

Data:

- Chever, Tanguy, Christian Renault, Severine Renault, and Violaine Romieu. Value of Production of Agricultural Products and Foodstuffs, Wines, Aromatised Wines and Spirits Protected by a Geographical Indication (GI). Rep. N.p.; European Commission, 2012. Web. (All data presented from 2010 data unless otherwise stated).
- Stokes, Bruce. "The Public Supports a Transatlantic Trade Pact -- For Now." Pew Global Attitudes Project RSS. Reuters, 19 Feb. 2013. Web. 15 Mar. 2013.
- "A Global GI Database." GIANT. American University. Web. Mar. 2013.

Projection: GCS_WGS_1984