

CONTRIBUTION TO EUROPEAN COMMISSION CONSULTATION ON TRADE POLICY
“A RENEWED TRADE POLICY FOR A STRONGER EUROPE”

The **Association of European Regions for Products of Origin (AREPO)** brings together 33 European regions and more than 700 associations of producers for over 50% of European GIs. AREPO aims to promote and defend the interests of producers and consumers in European regions committed to promoting quality agri-food products.

In the overarching framework of the European Commission’s review of the EU’s trade and investment policy, AREPO welcomes this initiative and the related request for inputs from stakeholders.

European Union Quality Schemes, covering so far 1452 Geographical Indications (GIs) for foodstuffs and 1606 GIs for wine - PDO and PGI registered by the European Commission (EC)- **contribute to deliver public goods to the whole European society** in several ways. The benefits of GIs are particularly significant from an international trade perspective. As a matter of fact, EU GIs account for an **estimated sales value of €77.15 billion** and **represent 15.5% of the total EU agri-food exports**¹, providing an **export-promotion mechanism through which the EU can compete on quality rather than price**. Their higher sales premium is redistributed along the value chain activating a **virtuous circle that benefits the territory** contributing to the economy at national and regional level and to sustainable development of rural areas.

Beyond the economic benefits, GIs play an important role in EU trade policy promoting and protecting **EU gastronomic heritage** and **EU standards of food quality and safety**.

In particular, with their specificities due, at least in part, to their territories of origin, and with their inherent natural and human factors, they represent a whole section of **European agricultural and food culture**. Furthermore, EU quality schemes give the product **quality assurance** in terms of information and certainty on product origin as well as of strict compliance with a series of quality requirements, thanks to the mechanisms included in the specifications to assure product traceability.

EU GIs sector, **already suffering for United States retaliatory tariffs and the uncertainties related to Brexit, has been heavily affected by the COVID-19 pandemic**, as a result of the closure of the Horeca channel, the loss of export opportunities and the contraction in consumption of fresh products penalized by stockpiling behaviour as well as spending methods that privileged long-term products.

Consequently, in order to contribute to a swift and sustainable socio-economic recovery as well as to the model of “Open Strategic Autonomy”, **AREPO encourages the European Commission to:**

- Find the way forward **to lift the current “trade tension” with the USA**. The US Government decision of imposing tariffs on several EU GIs on October 2019, has severely damaged EU GIs producers who lost their market shares in a country previously representing 30% of the total value of exported European GI products.
- Put forth the efforts on the **WTO reform**. As known, USA duties resulted from a legal dispute which concerned a different domain than the agri-food sector. Hence, it is necessary to guarantee a **predictable and trusted framework for international trade**, capable to provide the fair means to settle disputes.

¹ Study on economic value of EU quality schemes, geographical indications (GIs) and traditional specialties guaranteed (TSGs), 2020. AND-International, Directorate-General for Agriculture and Rural Development (European Commission), ECORYS

- **Consider the protection of GIs as a non-negotiable topic within the negotiations around Brexit.** EU GIs producers must be assured that their products, clearly protected in the Withdrawal Agreement, will not be sacrificed for the pursuit of an agreement at any price;
- **Better coordinate EU trade policy with EU agricultural promotion police,** since the latter contributes as a useful tool in supporting EU GIs producers in their endeavours to conquer new markets and increase exports.

With regards to EU trade agreements with third countries, although welcoming the inclusion of a chapter dedicated to the protection of GIs, **AREPO questions the openness and transparency of the process that led to the drafting of the restricted GIs lists.** There is a significant number of GIs interested in expanding into markets of countries currently undergoing trade negotiations with the EU. Nevertheless, not all these GIs are included in the lists negotiated by the European Commission.

Keeping the previous statements in mind, **AREPO recommends to:**

- **Improve transparency in the redaction of the list of products to be protected** in each trade agreement **by systematically consulting all interested European GIs;**
- Assure that the **inscription** to the bilateral register(s) remains **open** to those GIs registered after the entry into force of the relevant trade agreement(s), as well as to pre-existing GIs not included in the list.

In addition, in light of recent trends and confronted with a market ever more digital, EU quality products easily become the object of fraud and unfair practices. As a consequence, **the misuse, imitation and evocation of GIs in international trade are increasing,** together with **usurpation and abuses of reputation on the internet,** to the detriment of both consumers and certified producers, endangering the overall economic sustainability of GI sector as well as local communities.

Therefore, **AREPO urges the European Commission to:**

- Create an effective, simple and transparent **multilateral system for the protection of geographical indications,** in the interest of both producers and consumers;
- Enhance the **transparency of internet governance** to ensure an effective protection of GIs as an intellectual property right. This would be particularly important concerning the management of the ICANN system for assigning domain names. To this end, the future **Digital Services Act** should cover as well the protection of GIs in the online market and a **coordination between the former and the EU trade policy is needed.**

For more information, please contact:

Francesca Alampi, **Policy officer** info@arepoquality.eu

Giulia Scaglioni, **Policy officer** policyofficer@arepoquality.eu