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Organisation for an International Geographical Indications Network (OriGIN)

GIs and sustainable development: Presentation of the FAO Guide “Linking people, places and products – A Guide for promoting quality linked to geographical origin and sustainable GIs”

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Opening Remarks

by

Dr. Manzoor Ahmad

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Ladies and Gentlemen, Good afternoon!

On behalf of FAO and OriGIN (the Organisation for International Geographical Indications Network), I would like to welcome you to this Conference. Seeing such a good response to this invitation is a clear sign of the importance of what we are going to discuss here today.

The key objective of this Conference is to exchange ideas about how producers and policy-makers in developing countries can use or have used the Geographical Indications (or GIs) as leverage in development strategies. Fortunately we have four experts with different backgrounds to lead this discussion, which makes my job easier. I will simply say a few words to introduce the importance of GIs and also, having chaired the WTO TRIPS Council (Special Session) for several years, say a few words about the Doha Development Agenda negotiations relating to this subject.

FAO is very pleased to be co-hosting this Conference. The raison d'être of FAO is to reduce hunger, malnutrition and poverty by promoting agricultural development. Through various presentations, you will see how small farmers and producers in developing countries can develop or promote existing quality products and take advantage of opportunities offered by consumers' preferences for such products and thus improve their economic well-being.

The sales of GI products worldwide are estimated at over US \$50 billion. Of course, the overwhelming majority of those are from OECD countries. Developing countries account for a large share of world trade in farm commodities, but their share of GI products is very low. There are some significant exceptions; and as the importance of awareness of GIs and their potential to get higher prices is becoming recognized, exports as well as local trade of GI products are growing.

It is particularly so in those developing countries which have become successful examples of reducing rural poverty and increasing their food security. For example, in Viet Nam several dozen small SMEs produce Phu Quoc Nuoc Mam (a fermented fish sauce). After it was registered as a GI, its price rose almost threefold. It also attracted FDI, and Unilever is now investing US \$1 million to upgrade facilities. Similarly, the price of Chinese Xihu Longjing tea increased by more than 10% per year compared with other teas when it was registered as a GI in 2001. For Pinggu peach from China, prices rose from US \$0.20 to US \$0.50 per kilo after its registration. Exports of Tequila from Mexico are reaching the billion dollar mark. Similarly, exports of basmati rice from India are estimated at US \$ 2 billion, while Pakistan's exports are worth US \$1 billion.

In developed countries, successful examples of GIs are abundant. France is a market leader for GI products. Their 593 GIs (466 for wines and spirits and 127 other products) generate 19 billion Euros of value (16 billion wines & spirits and 3 billion other products) and support 138 000 agricultural outfits. One of their surveys - which covered a 4 year period from 1997 to 2001 - showed that revenue from GIs grew by 6.8 % compared with a 0.7% average growth for the overall farming sector. In the case of Italy, GIs generate 12 billion Euros, but here almost 60 per cent value is for products other than wines and spirits.

In fact, GIs serve a multifunctional purpose. They not only generate more value but they also ensure better quality, protection of indigenous knowledge, culture and tradition and bring more investment. Many successful developing countries are already giving a great

deal of attention to this and developing their GIs. You will hear about many other examples from other presenters.

Now let me say a few words about the WTO negotiations and what I think is the way forward. As you are aware, there are two issues relating to GIs that are being debated in the context of the Doha Development Agenda (DDA) negotiations. These are: creating a multilateral register for wines and spirits; and extending the higher (Article 23) level of protection currently available to wines and spirits to other products. Like many other areas of DDA negotiations these issues have not been easy. In fact, I should say that they proved to be more challenging than other areas and for various reasons there has been very little progress to date. First, there is a dispute about the Doha mandate relating to these issues. While there is no debate about the creation of a multilateral register for wines and spirits, there are serious differences as to what kind of register should be established and whether or not it should be binding for all WTO members. The second issue about extending the higher level of protection for other products is even more complicated. A number of WTO members believe that this is not even a part of the DDA and therefore refuse to start any negotiations on the substance of this issue.

There are also procedural issues. There is no one forum to discuss all TRIPS related issues. While the register of GIs for wines and spirits is being negotiated in the TRIPS Special Session, a specific ad hoc negotiating body of the Doha Round, the so-called "implementation issues" of protection of GIs for other products and TRIPS and CBD (Convention on Biological Diversity) are dealt with in another context. The Director-General of the WTO, Pascal Lamy, is conducting technical consultations on these two issues. Views profoundly differ on any parallelism for the GI register, GI extension and TRIPS/CBD. There are also linkages with other issues, such as agriculture.

Another major difficulty is that different WTO members have different systems for protecting GIs. These include trademark systems, notably certification and collective marks, *sui generis* systems, etc. With such different systems of protection, it is difficult to (some are totally allergic to words like harmonization or uniformity) work towards any common solutions in the system of protection. Any changes in the system are seen

by some members as changing the “territorial nature” of intellectual property rights (i.e. each IPR deploys effect only on the territory where it has been granted, and the right of countries to determine how to protect intellectual property within their own territories). They also see it as going beyond the mandate, as any legal implications of an international register could be seen to be enhancing the protection and not just facilitating it (which they perceive as a requirement of the mandate).

Then there is the question of giving a meaningful Special and Differential Treatment for developing countries. Since the purpose of today’s discussion is not to discuss these policy or legal issues of protection but more the economic case of GIs, I shall not expand on this particular point.

In this panel, we have legal experts and agroeconomists specializing in the role of quality linked to GIs. I am first going to invite Prof. Arfini and Emilie Vandecandelaere to make their presentations. After their presentations, we will open the floor for a few questions. This will be followed by two other presentations by Kiyoshi Adashi and Massimo Vittori, and after any specific questions relating to their presentations, we will have a general discussion about the whole issue.

Of course, we will try to finalize the session by 1.30 and then enjoy our GI lunch.

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