

Strengthening the Global Trade Impact of EU Geographical Indication Wines

Curzi, D., M. Huysmans, and O. K. Haase. 2024. "Potable Intellectual Property: WTO TRIPS and EU Geographical Indication Wines." *Applied Economic Perspectives and Policy* 1–18. <https://doi.org/10.1002/aapp.13428>

HIGHLIGHTS

- **WTO membership** increases EU GI wine imports by 25% more than non-GI wines.
- The study suggests that **WTO TRIPS provisions positively affect exports** of EU GI wines.
- **GI wine exports appear to benefit EU producers**, with displacement of prior imitation wines being a potential mechanism.
- **EU policy** of including wine GIs in bilateral agreements is likely an attempt to improve enforcement of GI protection in third countries.

The **TRIPS Agreement's provisions significantly boost EU Geographical Indications wine exports**, benefiting EU producers and contributing to the global reputation of these high-quality products. The EU's strategy of including GIs in bilateral trade agreements is validated as an effective means of enhancing enforcement.

Policymakers should continue to **fortify GI protections** through strategic international treaties and ensure that the benefits of such policies are widely understood and supported by stakeholders.

The success of the GI scheme for wines could serve as a **model for other products** and regions seeking to leverage local distinctiveness for global trade advantages.

INTRODUCTION

The protection of **Geographical Indications (GIs)** is essential for maintaining the uniqueness and quality of region-specific products.

This policy brief summarizes the findings of a study investigating the impact of the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property (TRIPS) on the trade of EU GI wines, such as Bordeaux and Chianti.

The findings have significant implications for policymakers and stakeholders involved in international trade and intellectual property rights protection.

DATA AND METHODS

The research utilized a triple difference panel data analysis of EU wine exports from 1995 to 2019, focusing on whether WTO TRIPS protection increased GI wine exports. The study exploits the natural experiment of countries joining the WTO and compared the differential growth of GI exports to non-GI exports, for WTO joiners versus non-joiners, using a three-way fixed effects estimator and the Pseudo-Poisson Maximum Likelihood (PPML) technique.

MAIN RESULTS

- EU GI wine **exports increased** significantly more to WTO-joiners compared to non-GI wines and non-joiners.
- The study estimates a **25% increase in GI wine exports attributable to WTO TRIPS** protection.
- The positive impact of TRIPS seems larger for countries with higher prior wine consumption, suggesting the **displacement of imitation wines** as a mechanism.
- Detailed **trade provisions** in international treaties can have measurable effects on the trade of protected products.

POLICY RECOMMENDATIONS

- **Enhance GI Protections:** Support stronger multilateral and bilateral agreements to protect GIs, ensuring enforcement and compliance with international standards.
- **Support EU Producers:** Continue to include GI wines in trade agreements to benefit EU producers by increasing exports and reducing the risk of imitation.
- **Consumer Education:** Educate consumers on the value of genuine GI products to enhance market demand and support for protected goods.