



# IMPORTANCE OF GI TO ECONOMY AND BUSINESS

RM. SANKAR  
Principal Scientific Officer  
ATIRA, Ahmedabad  
sankarrm@gmail.com

## Geographical Indication

1. WTO agreement on TRIPS – Article 22 provides for GI
2. Identify agricultural, natural or manufactured goods-  
Produced by number of producers
3. Identify uniqueness of the product - characteristics and qualities of product
4. Product derives its qualities and reputation from the place of origin
5. GI often placed on traditional formulas and processes
6. Know-how is transmitted from one generation to another
7. Many years are required to produce the link between the product and geographical origin
8. The value of GI is linked to Origin
9. When such a product is misused, counterfeited. It needs to be legally protected
10. In India GI alliances are initiated by public authorities & NGO. In EU by professionals

- 172 products Registered under GI in India, 7 in Gujarat
- Darjeeling Tea- First GI Registered product in India
  - 25 registrations for Darjeeling word and logo marks across the world
  - Misuse of Darjeeling opposed by Tea board of India

France	Darjeeling- perfume, cloth and telecommunication
Germany	Device applications with Darjeeling Logo
Israel	Darjeeling –Agricultural and horticulture products
Japan	Divine Darjeeling- Coffee, Cocoa, tea
Norway	Darjeeling- telecommunication
Russia	Darjeeling /Logo- Tea
Srilanka	Sakir Darjeeling Tea-Tea
USA	Darjeeling Nouveau - Tea

# RELEVANCE OF GI TO ECONOMY & BUSINESS (Demand-Supply-Economic devp-Legal )

1. The **process** of GI certification itself is relevance to business
2. Certainty afforded by **legal protection** creates opportunities for investment in the product and region
3. Collective monopoly right in the geographical area
4. The basic economic function is the protection of **Good will** of the product- converted to economic benefit
5. Demand side of GI is rooted in the economics of **Product differentiation** – cause for consumer preference
6. Publicity- after GI : Enhancement of **image** nationally and internationally
7. **Origin guaranteed and promised quality** command reputation and thereby premium value
8. Tool to promote **Rural Development** – socio-economic development, employment, increase in land value

- 
9. Preservation of **indigenous knowledge** and reward for holders of knowledge
  10. GI to keep alive the '**aura**' of the product
  11. **Higher retail price** –better economic return to primary producers, higher output
  12. **Regional Prosperity** as industry linked to the GI cannot be relocated- eg. Pochampally Handloom Park
  13. **Consumer awareness and protection** – right to have original products. An awareness and marketing drive push buyers towards the genuine GI products
  14. Promise of Origin make consumers climb the Maslow Pyramid – up to **Self actualization need**
  15. **Indirect Economic Benefits** for Related Sectors
  16. **Sustainability** – higher output, return of artisans
  17. The value and benefit of GI will depend on the way it is **exploited, marketed and policed** – which add to Cost

## Some survey Findings

- Kota Doria : three-fold increase in weavers' income
- Increased awareness of Pochampalli Ikat led an order from Air India, which bought Pochampalli sarees for its air crew
- Pochampalli saree 10-15% premium
- As per reports, Banarasi sarees woven on powerlooms and sold as hand woven due to inadequate policing
- Counterfeit from China as Kashmir Pashmina shawl is marketed across the world will be stopped as the product got GIR provided it has got GI registration in other countries.
- GIR of Kinnauri shawls to control unauthorised production and prevent the misuse of its brand name.
- Counterfeit of Kuchch shawl from Ludhiana will be controlled
- EC (2003) reported – GI are a key to the European economy as they provide added value to producers mainly Agri-food exports. GI as the main pillar of EUs policy on agri products
- 40% of EU consumers are ready to pay 10% premium price for origin guaranteed products

## Some survey Findings ...

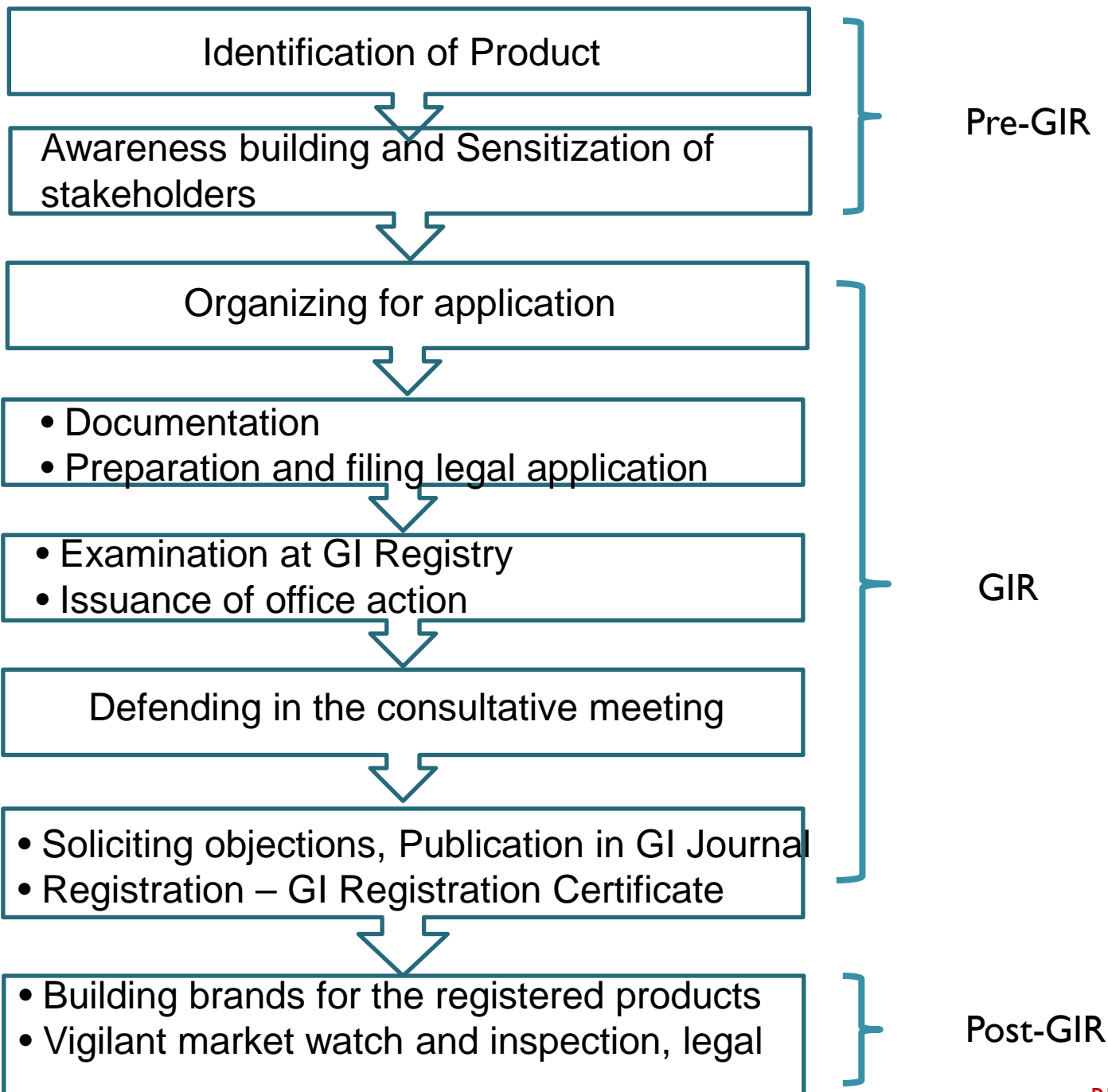
- Antigua coffee 300% more
- Ooloong Tea from FIJI 80% more
- GI enabled the French origin labeled cheeses earn an average of two euros per kilo more than French non-origin-labeled cheeses.
- French chicken “Poulet de Bresse” has a market price 4x higher than regular French chicken
- Italian “Toscano” oil has sold at a 20% premium since it was registered as a GI
- In France GI registered Compté cheese production has increased at a rate of 3% per year in the last 10 years, whereas the local production of Emmental cheese (not protected as a GI) has dropped. This production has created new employment and limited rural exodus from the region

However, GIR itself does not guarantee Premium value



# **GI REGISTRATION OF TRADITIONAL TEXTILE PRODUCTS IN GUJARAT**





# Case of GI Registration of Kachch Shawl

(Application No.174)

- Sensitization of decentralized weaver clusters
- Formation of legal entity
- Formation of consortium
- Documentation process as per GI Registry
- Legal formalities of GIR
- Filing of application
- Fulfilling discrepancies in the application
- Expert Consultative committee meeting
- Fulfilling details as per the expert committee
- GI Registration

## Relevance to Business.....

- Sensitization
- Formation of legal entity, Business plan/Analysis/BE scanning
- Instill the sense of pride and belongingness to promote investment and sustainability
- Documentation of production History/ Geographical area/ organization of production process/special characteristics / quality standards/ Uniqueness
- Development of infrastructure to monitor standards of production and quality/ introduction of new designs
- Find out ways and means to increase marketability
- Measures initiated to tackle counterfeit
- Increase in sale price realization, sustainability of the rural economy



**Thank you**