



Voluntary Report – Voluntary - Public Distribution **Date:** July 22,2020

Report Number: E42020-0042

Report Name: Agreement Between the EU and China on Geographical Indications Close to Being Finalized

Country: European Union

Post: Brussels USEU

Report Category: Country/Regional FTA's, Trade Policy Monitoring, Agriculture in the News

Prepared By: Sophie Bolla

Approved By: Jennifer Lappin

Report Highlights:

On July 20, 2020, the Agriculture Council of the European Union adopted the Agreement between the EU and China on geographical indications (GIs) extending protection to 275 products that are produced in the EU. Products include feta cheese, asiago cheese, kalamata olives, marsala wine and more. The Agreement requires the approval of the European Parliament.

General Information:

On July 20, 2020, the Agriculture Council of the European Union adopted the Agreement between the EU and China on geographical indications (GIs). In <u>its announcement</u>, the Council highlighted this GI agreement as "[the] first significant bilateral trade agreement signed between the EU and China."

<u>This Agreement</u>, once ratified, will initially protect 100 GIs that Europe is seeking exclusive protection for on the Chinese market, which includes feta, asiago, pecorino romano/romano, gorgonzola, cava, Champagne and more. Likewise, a hundred Chinese products will be protected on the European market. Four years after the Agreement enters into force, the scope of the Agreement will expand to cover an additional 175 GI names, from both China and the EU. The EU's second tranche of GIs includes fontina, kalamata, prosecco, marsala and more. The Agreement also includes a mechanism to add more geographical indications thereafter. See Annexes IV and VI in the Agreement.

Certain GIs particularly the cheese GIs, have phase-in conditions, such as feta. Also of note, for Mozzarella di Bufala Campana, Parmigiano Reggiano and Pecorino Romano, the protection under this Agreement does not extend protection to the terms "mozzarella", "parmesan" and "pecorino."

The Agreement now needs to be signed by the two parties. The date and place for the signature of the agreement has not been set yet. Once signed, the agreement will then need to be given the green light, approved by majority in the European Parliament, before it can be concluded and enters into force.

Background:

Negotiations between the European Union and China on this GI Agreement started under the Juncker Commission in 2017 and concluded in November 2019. At that time, Phil Hogan, then Commissioner for Agriculture and Rural Development highlighted that the GI recognition shows that consumers are willing to pay a higher price while further rewarding farmers. He also highlighted the EU's commitment to working closely with global trading partners such as China.

According to a recent <u>study</u> published by the European Commission, geographical indications represent 15.5 percent of the total EU agri-food exports. The U.S., China and Singapore are the first destinations for EU GI products, accounting for half of the export value of GI products.

Attachments:

No Attachments.