

Briefing

GM Trade War Looms:

How will the World Trade Organisation handle the US/EU food dispute?

Friends of the Earth

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Friends of the Earth exposes what really happens in this highly secretive mechanism, and explores what may happen now that the US has carried out its repeated threat to make a formal complaint against the European Union over GM food.

There has been considerable noise generated by the US about the debate over genetically modified foods (GM foods, that is foods containing ingredients that have been genetically manipulated to contain DNA from more than one organism and/or food derived from GM crops). Statements to the press about a possible trade dispute over GMOs may seem worrying to anyone concerned about who makes decisions about the food we eat. [fn] Yet US concerns about EU policies on GM are not new – the US has been threatening to initiate a dispute over the EU's de facto moratorium on approving new GM crops and foods, and then backing off repeatedly, for years.

...What is new is the precarious position in which GM agricultural technology finds itself. Apart from this new dispute, in August 2002 it was discovered that, for the second time, GM contaminated oil seed rape seed had been supplied to and mistakenly planted in the UK. [fn] Last year, US and EU biotech companies had to spend millions to defeat an official ballot in the US state of Oregon to institute a tough labelling scheme for GM foods, and the GM giant Monsanto had to warn for the second time in 12 months that their profits were set to be lower than forecast.⁴ While Prime Minister Tony Blair continues to support the technology, **up to 70% of the European public have told pollsters they don't want GM food.**

...Launching a full-blown dispute through the World Trade Organisation (WTO) in the face of such hostility will be a tricky affair. **The hawks, including the powerful forces of global agribusiness, want the dispute because they feel the EU is costing them money (either by preventing GM foods from going to market or by insisting on special labelling). The wider EU/US trade context shows fierce lobbying by a host of US big business interests attacking EU regulations for introducing new products and technologies in areas from chemicals to computers to cosmetics – GM food is only one battle in this growing rift. [fn]6** Yet a row in the WTO over GM in the current climate would likely be long and costly in more ways than one, and any victory for the US could

prove pyrrhic, as it may only serve to increase opposition to the technology and the powers that promote it.

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Use of precaution

As Commission Lamy explains use of the precautionary principle in relation to GM:

"Scientists everywhere in the world acknowledge that foods may be toxic, provoke allergies or create environmental problems, be they GM or non-GM. On the human-health front, the US approach is to allow marketing without prior testing of GM foods that are deemed to be "substantially equivalent" to the non-GM variety. Many scientists question whether this is a sufficient basis for regulatory approval. In Europe, we do more thorough testing on every GM variety." 39

As seen above, the WTO disputes resolution mechanism found use of the precautionary principle to be in breach of WTO rules in importing of hormone-treated beef. There is little reason to anticipate a change in that attitude, so the implications for GM are disturbing. Clearly there is a considerable discrepancy between the EU approach to protecting human health and the WTO approach to protecting trade. **(Page 10)**

...Endnotes

¹ For more information see http://www.foe.co.uk/resource/briefings/gm_crops_food.pdf

² Both quotes from the *Financial Times*

³ http://www.foe.co.uk/campaigns/real_food/news/2002/august/august_15.html

⁴ *Financial Times*, 16 January 2003 and 31 October 2002, and the *Guardian*, 12 October 2002

⁵ http://www.foe.co.uk/resource/briefings/market_forces.pdf, Friends of the Earth and the *Observer*, 10 November 2002

6 <http://www.nftc.org/default/white%20paper/TR2%20final.pdf>

⁷ <http://internationalecon.com/wto/ch2.html>, Steve Suranovic, Associate Professor of Economic and International affairs, George Washington University

⁸ *ibid*

⁹ *ibid*

¹⁰ <http://www.speakeasy.org/~peterc/wtow/wto-disp.htm>, includes list of sources

¹¹ *European Environment* No 550, 27 July 1999, pp8-9

¹² <http://www.american.edu/projects/mandala/TED/EUMEAT.HTM>, American University

¹³ *ibid*

¹⁴ <http://www.codexalimentarius.net>, Codex Alimentarius

¹⁵ <http://www.fao.org/docrep/w9114e/W9114e04.htm#TopOfPage>, Codex Alimentarius

¹⁶ <http://www.labournet.org/discuss/GLOBAL/wto.html>, Gerard Greenfield, Education Programme Organiser (Indonesia), IUF-A/P, IUF-A/P Globalisation Seminar II: Globalisation and the Future of Agri-Food Workers, November 16-18, 1998, Ahmedabad, India

¹⁷ *ibid*

¹⁸ *ibid*

¹⁹ *ibid*

²⁰ <http://www.xs4all.nl/~ceo/wto/wtobug.html>, Corporate Europe Observatory

²¹ <http://www.useu.be/issues/beef0926.html>, US Mission to the EU

²² *ibid*, and WTO document WT/DS217/AB/R