

Picking the Wrong Fight:

GENETICALLY MODIFIED ORGANISMS AND THE WORLD TRADE ORGANIZATION

Robert Falkner

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Transatlantic trade rows are legendary – beef and bananas are being followed by a dispute over genetically modified food. In the acrimonious climate after the Iraq invasion, Washington challenged a European ban through the World Trade Organization. Now the organisation may become the loser in a fight few believe America can really win.

Genetic engineering in agriculture and food production is a highly politicised and emotionally charged issue, especially in Europe. Calls for stricter regulations and labelling on genetically modified (GM) food are on the rise in the United States and Canada too. Consumer groups and environmentalists object to the use of the new technology because of fears for biological diversity and human health. Concerns have been raised about genetically modified organisms (GMOs) containing toxins; causing allergies; or contributing to antibiotic resistance.

Although many scientists have declared several GMOs fit for agricultural production and human consumption, doubts remain over the long-term consequences. This uncertainty has led European policy-makers to adopt a precautionary approach. In October 1998, the European Union (EU) stopped authorising new GM products for the European market and has since maintained this moratorium, much to the annoyance of Washington. The European Parliament has recently voted to introduce comprehensive labelling of GM products, but this is unlikely to end the row.

The commercial stakes involved are considerable, and set to rise further as more and more GMOs are introduced. American farm producers and biotechnology firms claim to have lost \$300 million in annual sales to Europe as a consequence of the ban.

...Foul play

But more is involved in the transatlantic trade row than agricultural biotechnology. For American trade officials, the EU's GMO moratorium is but the tip of the iceberg of a sprawling system of non-tariff trade barriers. A recently published report by the US National Foreign Trade Council documented a long list of complaints by US farm exporters ranging from beef to poultry and wine.

Fears that the EU is abusing its regulatory powers to disrupt international trade have recently focused on its Chemicals White Paper, which proposes a registration and testing system for approximately thirty thousand chemicals. Washington blames the tide of new non - tariff trade measures on the EU's use of the precautionary principle, which in its view leads to politicisation of the regulatory process and allows scientifically unfounded concerns to trump international trade obligations.

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