

**REMARKS ON GENETICALLY MODIFIED FOODS
AND INTERNATIONAL REGULATION**

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{1} Thank you. I certainly don't want to interfere in the American debate about labeling, since I have already enough problems with European consumers, but what I would like to do today is not only to talk about our legislation a bit, because it's so detailed and complex, but also to talk about the European/American trade relations, in particular as it relates to biotechnology. First of all, I would like to say there is a strong trans-Atlantic relationship as far as trade is concerned between the EU and the U.S. We have to realize that we have a trade level of around one billion dollars a day between us, without even talking about investments. If you add investments, we'll go up to one trillion dollars a year. Disputes, because we have sometimes disputes and as it happens sometimes also in the families, represent only two or three percent of the total business we have together.

{2} Today I would like to send a clear message about trade and biotechnology. I think it would be a really big mistake for the U.S. to go forward with challenging the EU at the WTO on the so-called moratorium. I don't know if you are familiar with European Institutions, very quickly - you have the European Commission, which is sort of the executive administration, and then you the Counsel of Ministers which I would compare with the U.S. Senate, and then you have the European Parliament which is similar to the U.S. House of Representatives. The European Commission and a series of member states have come out now very clearly in favor of biotechnology.

{3} In spite of the suspicions of the European consumer, in general, the reasons why the European Commission has come out with some member states in favor of biotechnology is first of all, that all our scientific studies and all the studies made by our scientific committees, have shown that GMO's are safe and in some cases safer than the traditional food. I have to be clear about that.

{4} The other concern is that the European biotech industry is really lagging behind. There is a real brain drain from European companies going to the United States. The latest one is a Danish company called Danisko which transferred its research center from Denmark to the United States. Considering the uncertain situation, there is also a lack of investment in Europe. In other words, the whole industry is in danger.

{5} The European Commission has published a communication on life sciences and biotechnology, which was approved by the Council of Ministers (the Competitiveness Council) and also by the European Parliament. Both of these bodies said that Europe should stop raising the suspicion on biotech food products. The reason is that many jobs are being lost currently and thousands and thousands of future jobs will not materialize. According to this communication, the future of the biotech industry by 2010 might well be a business of two trillion dollars world wide. I'm not, of course, talking only about the food biotech industry - I'm also talking about pharmaceutical biotech, industrial biotech, and even environmental biotech.



{6} Furthermore, we have the European consumer. I won't talk at length about the European consumer, since I think that most of you now know that there is a large problem with the European consumer and his distrust of GMO's that originated with a series of food crisis which wrecked Europe and led to waning consumer confidence. The result is that the trust in GMO's and at the same time the trust in the regulator is really not there.

{7} In the European Union, we have a polling system which is called the Euro Barometer, and I had hoped to have the figures of the latest Euro Barometer today, but the results will not be published until next week. If you look at the figures of December 2001, you can see that in a poll over the fifteen countries of the EU, more than 56% of the people say that GM food is dangerous and 70.9% say they don't want this type of food. If something did happen, they say it would be a general disaster, and 94.6% of the European citizens believe that it is their right to choose through labeling. Not many people in the United States know that we are currently having a European Convention, which is preparing a European Constitution. But for the moment, our fundamental legal basis is the Treaty: Article 152 of the Treaty of Rome, which says that being informed is a fundamental right of the consumer.

{8} One can talk at length about the rationality of the European consumer towards GMO's, of course; suffice to say that Monsanto brought GMO's onto the market during the height of the Mad Cow crisis. Actually, it is a model of how not to market a product.

{9} Consumer confidence was further eroded by scare mongering by tabloid newspapers, especially in Austria and Great Britain, and certain NGO's (non-governmental organizations). Moreover, besides bad timing, the industry employed poor marketing strategy for the first wave of products with agronomic traits that benefited only the farmer and offered no real added value for the consumer. Actually, there is a real added value, since there is less pesticide use; however, the problem is that the biotech companies still produce a lot of chemicals and pesticides, which represent their major income. They have, therefore, a problem in sending a clear message to the consumer.

{10} The mismanagement of the BSE crisis by certain national governments and the resulting consumer panic created a need for an EU wide response, namely the creation at the European level of a sort of European FDA, the European Food Safety Authority, which will be up and running next month. At the same time we wanted to modernize our regulatory food safety framework. The Commission came out with a white paper on food safety in 2000. Its guiding principle is that food safety policy must be based on a comprehensive integrated and science based approach.

{11} For food safety issues in general and biotech specifically, there is a crucial need to regain consumer confidence. I recognize that until the year 2000, the EU had an outdated, patchwork, and cumbersome food legislation, which was not really adapted to deal with food and especially feed crisis. Remember that feed contamination was the root of the majority of recent food crisis.

{12} Let us talk now about GMOs. Since 1990, the EU has had an approval system according to which GMOs have to be approved case by case by a scientific committee, and later on by the member states according to a sort of weighted voting system. Am I clear when I say weighted voting system? Does everybody understand? Okay, to simplify, big countries have more votes than small countries. In October 1998 five member states blocked the approval process under pressure from their public opinions because of fear of eating GM food. These member states declared they were willing to resume the approval process at the condition that new legislation was brought forward on labeling and traceability, and that's why the Commission came up with a new draft regulation on biotech.

You should know, by the way, that in the EU, the Commission has the monopoly of proposing new legislation, not the European Parliament.

{13} A new horizontal directive, which sets out rules for authorizing the deliberate release of live GMOs into the environment, has been in place since October 2002. What is important is that the Commission introduced in this directive for the first time the principles of labeling and traceability. These principles were then translated into two draft regulations. These two draft regulations flesh out the principles on traceability and labeling, and once in place, we think that member states will lift their opposition.

{14} In the latest agriculture council, not five countries, but ten member states out of the fifteen said they were willing to lift the moratorium, or the so called moratorium, once the legislation is in place. Where are we? Well I think that the legislation could be in place as soon as July, but let's say to be on the safe side, in October 2003.

{15} A few words about traceability and labeling. Traceability is not something new in Europe, because we have already installed a traceability system after the BSE crisis for all the beef. I should also add that traceability has now popped up in the United States because you have it in the Bioterrorism Act and you have it also in the Country of Origin Labeling Act. Like the precautionary principle, traceability appears to be a loaded term in some U.S. circles, and some people in the United States pretend that it is not even English, it must be French.

{16} Traceability is defined in the General Food Law as the ability to trace the history, application or location of the entire entity by means of recorded identification. There has been a very big misunderstanding here in the United States. The traceability system we are proposing is exactly the same as the one which is in the Bioterrorism Act: we want the paper trail going from the farm to the fork, but not necessarily to the consumer. The system is one step back, one step forward and not more. Traceability is there to facilitate targeted individual withdrawals should an unforeseen risk to human health or the environment be established, as it happened in the United States with Starlink. It also would allow targeted monitoring during ten years of potential effects on the environment. We would also use it as a control and verification of labeling claims.

{17} Why do I say this? Because we actually have already had labeling of GMOs - live GMOs - since 1997, but now we want to go further. We also want to label the ingredients if they are of a GM origin, and we want to label starch products or highly refined oils even if there are no traces anymore of DNA or protein.

{18} The purpose of labeling is not to inform the consumer about the safety or the lack of safety of the food, because if it's not safe it can't be put on the market. It is just a right to know and just the right to make a choice. By the way, labeling in Europe is certainly not a way to trigger a warning as often is the case in the United States.

{19} In conclusion, is it worth going to the WTO? Well, the internal procedure of the authorization has restarted, and I think that by as early as July or October, five new GMO's will be approved. I forgot to mention that we have already approved eighteen GMO's before the so called moratorium came into place. We had already eighteen, but for the moment thirteen more are blocked in the pipeline.

{20} As I said, I think really that the five new GMO's will be approved in the short-term. The Commission has received sixteen others. It is the first time since October 1998 that the process has





restarted. So, to sum up, I think it would be a mistake to go to the WTO because it could freeze the GM situation. In addition, considering the attitude of the European consumers and - let's be frank - the current anti-American feelings in Europe, we could even have a boycott of all American products, GM and non-GM. I already mentioned the survival of our biotech industry; I think that's also important. It would be a mistake for the United States to be perceived as the only country which produces biotech products. Thank you.

* Tony Van der haegen is Minister-Counselor in the European Commission's Washington Delegation, responsible for consumer affairs and food safety, in particular biotechnology. He was appointed to this position in August 2000, after serving in the Directorate-General for Health and Consumer Protection (SANCO) of the European Commission since 1990. From 1995 until his arrival in the U.S., he was Head of Unit of the Department's International Relations Unit dealing with consumer policy, food safety and Codex issues. He joined the European Commission in 1968 and has made numerous speeches on the history of European integration. He did most of the groundwork to bring together 62 consumer organizations from both sides of the Atlantic, which gave birth in September 1998 to the Transatlantic Consumer Dialogue (TACD). Tony Van der haegen holds BAs from the University of Antwerp, Belgium, in both Interpretation and Translation, with specialization in economics.