



GM Foods

will their fate be decided in Asia?

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The GM debate in Asia

GENETICALLY MODIFIED FOOD AND THE GM POLICIES OF ASIAN FOOD MANUFACTURERS

'Genetically modified organisms (GMOs), like all the new technologies, are instruments that can be used for good and for bad in the same way that they can be either managed to the benefit of the most needy or skewed to the advantage of specific groups.'

Diouf, Rome, May 3, 2001

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SUMMARY

This report looks at the response of the agri-food industry in Asia to the continuing GM debate. Asian agri-food producers are operating in a changing environment: consumers' opinions are shifting, anti-GM critics are vociferous and persistent in targeting those companies who 'fail' in their eyes to be transparent in their use of GM raw materials and labelling, and regulatory policies continue to evolve on a domestic and international front.

Here we review the GM debate as it has progressed in Asia. There are four main sections: a discussion of the situation in Asia today, a survey charting company policies and their procedures for GM, an analysis of the regulatory and labelling developments in Asia, and findings from consumer surveys across Asia. In the appendices there are further sections comprising additional debate and information on the global state of play including emerging trade disputes, biotechnology capabilities and labelling developments globally.

Key findings from the report are as follows.

- Overall, companies we surveyed in Japan and Korea have been the most proactive in their approach to the GM issue. They have implemented food tracking systems, are testing for GM status and are working with their growers and suppliers of raw materials.
- Companies whose main products involve lightly processed soy (e.g. miso, tofu etc) have rejected GM soy raw materials in favour of non-GM.
- While the Asian consumer is split into disparate groups, overall attitudes remain cautious and negative towards GM foods.
- Domestic policy approaches on labelling and biosafety differ across Asia and are influenced by a range of concerns including food insecurity, protection or expansion of export markets and voting consumers.
- If and when consensual agreement is reached on harmonising labelling approaches by the UN Codex Alimentarius Committee (expected by 2003), countries will need to meet these standards in order to be compliant with WTO commitments.
- Integral to how the GM debate develops within Asia and at the international trade level will be the position that China takes on GM and biosafety. Recently, China has proposed stringent mandatory labelling and import regulations, which became effective on 20 March 2002. This move threatened to disrupt the US soy export trade worth US\$1 billion. Consequently, with the prospect of US soy beans being halted at the dockside, the US threatened to meet China in a WTO dispute tribunal. The situation has been temporarily defused since the Chinese agreed to modify their import restrictions and temporarily to recognise US safety assurances. However, both sides have strong interests to protect. China has an estimated 800 million Chinese farmers dependent upon agriculture for their livelihoods. The US is aggressively looking for overseas export markets for its biotechnology and agricultural products. Until international consensus is reached on harmonising risk assessment procedures and labelling schemes, it is likely that GM will continue to be used as a non-tariff barrier to trade.