

US leads WTO challenge to EU on biotech food

AFP, Washington

could be of great benefit to farmers and consumers around the world."

Argentina, Canada, and Egypt joined in filing the WTO case. Others supporting as third parties were: Australia, Chile, Colombia, El Salvador, Honduras, Mexico, New Zealand, Peru and Uruguay.

"We could not wait any longer. Our patience had run its course," US Trade Representative Robert Zoellick said.

The United States complains that European Union countries including France have halted approvals of new genetically modified crops since late 1998, effectively excluding a growing portion of US farm trade.

Dispute settlement procedures, including any appeal, typically take 18 months.

The spat over genetically modified foods is likely to strain already tense US-EU trade ties, at a time of heightened political tensions because of divisions over the Iraq war.

Only last week, the European Union obtained WTO approval for four billion dollars (3.5 billion euros) in trade sanctions against the United States in a long-running

row over tax breaks for US companies.

"The US and the EU have a large and important economic relationship, and disputes such as this, while very important, make up only one part of that relationship," Zoellick said.

Asked whether the Iraq war had influenced the dispute, Zoellick hinted that the US-led action at the WTO had been delayed by political considerations.

"I certainly felt earlier this year that I was interested in moving this case, and I am very glad that we are launching it today," he said.

In Brussels, EU Trade Commissioner Pascal Lamy also defended the position of the European Union.

"The EU's regulatory system for (genetically modified organisms) authorization is in line with WTO rules: it is clear, transparent, and non-discriminatory," he said.

"There is therefore no issue that

the WTO needs to examine. The US claim is that there is a so-called 'moratorium' but the fact is that the EU has authorized genetically modified varieties in the past and is currently processing applications. So what is the real US motive in bringing a case?"

US Agriculture Secretary Ann Veneman said biotechnology was helping farmers increase yields, lower pesticide use, improve soil conservation and water pollution and help reduce hunger and poverty.

The European Union has failed to comply with its WTO obligations.

"The EU actions threaten to deny the full development of a technology that holds enormous potential benefits to both producers and consumers worldwide, while also providing a very significant means to combat hunger and malnutrition that afflict hundreds of millions of people across the developing world."



PHOTO: AVENTIS
Participants pose for a photograph at a seminar organised to mark the launching of Tritace, new drug of Aventis Limited, in Dhaka yesterday.

IMF, WB urge WTO to meet Doha deadline

AFP, Geneva

The top IMF official warned that UN poverty reduction targets set for 2015 would not be met without an opening of agricultural markets, a key element on the Doha round.

World Bank President James Wolfensohn said there was no way to tackle problems with development in poor countries without dealing with the issue of global trade.

"It is inconceivable that we can talk about dealing with the issues of poverty if we can't deal with the issues of global equity in the area of trade," Wolfensohn said.

Negotiators are struggling to reach agreements unblocking talks on the new trade round, which has been dubbed the "development round" because its is aimed primarily at reducing trade barriers for poorer countries.

"We do think that trade and the successful outcome of the Doha round is a key, possibly the key to build confidence in the global economy," IMF managing director Horst Koehler said here.

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