



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 3/18/2005

GAIN Report Number: GM5013

Germany

Biotechnology

Marginal Improvement on Biotech Regulations in Germany

2005

Approved by:

Richard Petges
U.S. Embassy

Prepared by:

Dietmar Achilles

Report Highlights:

Minister Kuenast will provide Euro 20 million for a liability fund for damages resulting from deliberate releases in official research projects.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Berlin [GM1]
[GM]

Minister Kuenast will provide Euro 20 million for a biotech liability fund

The German business daily 'Handelsblatt' reported on March 16, 2005 that Minister Kuenast has agreed to establish a liability fund to cover economic damages resulting from federal research projects utilizing the planting of biotech crops in open areas. The size of the fund is expected to amount to Euro 20 million. The Federal Ministry of Consumer Protection, Food and Agriculture (BMVEL) has not yet confirmed this number. The fund will only cover damages resulting from deliberate releases in official research institutes. It is not intended to cover damages resulting from private industry research.

In numerous approaches in 2004, BMVEL asked the European Commission to clarify whether or not a separate threshold level exists for the crosspollination of traits, which are not yet risk assessed. There is a threshold level of 0.9 percent, which establishes the need for labeling. There is a second threshold level of 0.5 percent, which defines the maximum GMO content of traits, which are already risk assessed but not yet finally approved. (Intensively pollinating crops such as rapeseed are at risk to exceed the 0.5 percent threshold level.) In a recent response to a German letter sent to the Commission in 2004, the Commission stated that there is no separate threshold level for GMO traits, which are not risk assessed. This means that crops containing traces of GMO traits that are not risk assessed are not marketable.

This puts the research institutes in a difficult position because they will be liable for damages resulting from their trials. Minister Kuenast is quoted as having said: 'If such a fund would be approved by Research Minister Buhlmann (member of the Social Democrat Party), I would not oppose it.'

Comment: The risk for contamination resulting from not-risk-assessed traits is extremely marginal because not-risk-assessed plants are normally not planted in field trials. They are kept in a laboratory environment.

On March 16, 2005 the proposed draft of the second portion of the genetech law passed through the Consumer Protection Council of the German Bundestag. One of the relevant changes in this draft is a revision in the GMO field register. The recently implemented first portion of the genetech law requires the farmers to register the exact location of an intended GMO field. This record is made available to the general public through the internet. The proposed draft would no longer require identifying the exact location of the GMO field. Instead, it only requires indicating the village/region, in which the field is located.

Prior to the March 16 decision of the Bundestag Council, Chancellor Schroeder stated publicly that among other things green biotechnology is important to Germany and should become a success. The Schroeder statement has to be taken in connection with an statement made by Minister Kuenast a few days earlier, where she supported the industry investment in white biotechnology. White biotechnology is the contained-use biotech, such as enzymes, amino acids, vitamins and other microorganisms. She told the media that she wants to support the German chemical industry by lowering the administrative hurdles. Kuenast is quoted as saying; "In contrast to red biotech we do not have any ethical problems with white biotech. Also in comparison to green biotech the white sister has only advantages. There is no risk of gene-manipulation of natural plants. Although there are masses of bacteria used in white biotech, which might be a risk to the environment; however, they remain within a hermetically concealed system and will be completely destroyed after use."

Comment: These new developments indicate some movement in the field of green biotechnology. The recent hefty criticism in the media about Kuenast's unwillingness to allow GMO plants to be grown in Germany has stirred up politicians in the Social Democrats Party.

They seem to realize that the fundamental opposition against green biotech may have a very general negative impact on the investment attractiveness of Germany. Domestic and foreign companies may hesitate to invest in a country, which is viewed as hindering scientific progress.