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Saudi Arabia

Biotechnology

Update on Saudi Arabian GMFs Labeling

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Approved by:

Quintin Gray

U.S. Embassy, Riyadh

Prepared by:

Hussein Mousa

Report Highlights:

The Saudi Ministry of Commerce says it will soon start collecting random samples of imported foodstuffs at ports of entry for testing.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Riyadh [SA2], SA

In a follow up to our GAIN Report #SA1019, the Saudi Ministry of Commerce (MOC) has implemented the labeling requirement for the Genetically Modified Foods (GMFs) after the expiration of a one year grace period that ended on December 1, 2001. In light of the numerous requests by American foodstuff suppliers for information on the status of the Saudi GMF labeling requirement, the ATO talked to senior officials at the MOC, surveyed major foodstuff importers, and conducted a survey of major supermarkets in Riyadh to provide the following GMF labeling update:

1. Officials at the MOC have reconfirmed that the Minister of Commerce will soon approve the one percent maximum threshold limit for defining a biotech foodstuff which was recommended last month by the Saudi Food Safety Committee. Even though no one knows when the Minister will legalize the one percent limit, senior MOC officials and traders expect the Minister to issue a circular shortly after the Ministry opens up for business following the eleven-day Ramadan holiday which ends on December 22. Even if the Minister does not sign the one percent limit, lab officials have confirmed that they have been authorized to tolerate the 1 percent maximum limit when testing GMFs.
2. According to a senior MOC official contacted for this report, the Ministry will soon start collecting random samples of imported foodstuffs at ports of entry for testing. Since the MOC labs do not have the required equipment and know-how to test GMFs, it has appointed a Riyadh based Saudi leading hospital, the King Faisal Specialist Hospital and Research Center (KFSH) to conduct GMF testing on its behalf. The hospital, which in recent months invested millions of dollars on various high-tech laboratory equipment, has been conducting testing on lentils and soy sauce for the MOC for the past few months. The hospital hopes to undertake most of the GMF testing in its laboratory in Riyadh. However, it has made arrangements to send samples to a UK laboratory for more specialized and complex GMF testing. The UK laboratory was reportedly selected by the MOC.
3. The GMF testing is expected to cost about \$100 per sample according to information provided by a GMF testing laboratory that attended the Saudi Arabian Standards Organization's International GMF conference last October. But it is not clear if importers will be asked to pay for the cost of testing. In the past, MOC has continuously refused offers by importers to pay for each sample tested by MOC's laboratories in order to avoid any pressure that importers might put on the laboratories to expedite the testing process. Given the tight budgetary situation which the Saudi Government faces this year due to the continued decline in oil prices, the MOC may not be able to pay testing fees to the hospital on time that could delay test results and contribute to lengthy holdups of consignments at ports of entry. Foodstuff importers hope that the MOC will decide to charge them for the cost of GMF testings in order to avoid unnecessary and costly delays in customs clearance.
4. ATO/Riyadh did not find any foodstuff with positive GMF labeling representing that a product "Contains Genetically Modified Product" during the December supermarket survey. What was found was negative GMF labeling despite the fact that the MOC dropped the requirement for GMF free labeling in December 2000. Many suppliers from the EU, Pakistan, the United Arab Emirates and even some U.S. suppliers have chosen to declare their products free of GMFs. With the exception of a couple of the U.S. suppliers that used stickers to declare their products "Free From Genetically Treated Items", other suppliers embodied a circle on the product's main label and printed the GMF free statement. Firms that are doing the negative GMF labeling are reportedly aiming to get some market

advantages over their competitors.

5. As reported earlier, major foodstuff importers, who are importing American foodstuffs either under their own brand names or who serve as exclusive agents for well known American brands, say that they will not, at least initially, import GMF and put this GMF triangle label on their foods. They say that importing GMFs could jeopardize their product image and result decline in market shares that they have developed over several years given that consumers have limited knowledge about GMFs. Importers do not expect the MOC to initiate any favorable media campaign to give unbiased information on GMFs to the public since the current MOC position is clearly anti-biotech. It is worth mentioning that the Ministry has made it unequivocally clear on several occasions that the primary reasons for requiring the GMF labeling are "the consumers' right to know" and to discourage the Saudi consumers from eating biotech foods until the long term effects are known.

End of Report