

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

L/3523

28 April 1971

Limited Distribution

Original: French

IMPORT RESTRICTIONS APPLIED BY SWITZERLAND

Fourth Annual Report by the Government of Switzerland under
Paragraph 4 of the Protocol for the Accession of Switzerland

Paragraph 4 of the Protocol for the Accession of Switzerland to the General Agreement on Tariffs and Trade provides that Switzerland shall furnish annually to the CONTRACTING PARTIES a report on the measures maintained consistently with its reservation "with regard to the application of the provisions of Article XI of the General Agreement to the extent necessary to permit it to apply import restrictions pursuant to Title II of the Federal Law of 3 October 1951 as well as pursuant to Article 11 of the Federal Decree of 28 September 1956/28 September 1962 and to the Swiss legislation concerning alcohol and wheat based on Articles 32 bis and 23 bis of the Federal Constitution". This report covers the period from 1 January to 31 December 1969.

A. Legal basis of the Swiss restrictions

The import restrictions refer exclusively to agricultural products; the legislation on which their application is based has not been amended during the period under reference. It is as follows:

1. Federal Law on the Improvement of Agriculture and Maintenance of the Peasant Population (Agriculture Act), 3 October 1951;
2. Federal Law on Alcohol, 21 June 1932/25 October 1949;
3. Federal Decree of 28 September 1956/28 September 1962 concerning Measures of Economic Protection vis-à-vis Foreign Countries;
4. Federal Law on National Wheat Supplies (Wheat Act), 20 March 1959.

B. Products subject to quantitative restrictions

During the period under consideration the products subject to quantitative restrictions were the same as before. To avoid diversion, preparations falling under item 18.06 (except ice-cream) having a high dried milk content and intended for further processing have been made subject to the existing take-over scheme for whole milk powder under tariff heading ex 04.02.

C. Types of quantitative restrictions

The same quantitative restrictions were applied during the period under consideration. In the case of imports of dried whole milk (item 04.02.10) the quantity of the domestic product that has to be taken over has been increased from two to four parts for one part of the imported product. In the case of imports of acid casein, on the other hand, the quantity of the domestic product that has to be taken over has been reduced from two parts to one part, for one part of the imported product.

D. Comments on the import figures

1. Cereals and feeding stuffs

Imports of bread wheat increased in comparison with those for 1968. There were two main reasons for this increase:

- the large quantity of sprouted wheat
- a decrease in the area sown and in the yield per hectare.

Deliveries to the Confederation decreased by 8.7 per cent.

The percentage of domestic wheat which the millers were required to take was 66.2 per cent on average of their total requirements.

There was some increase on imports of cereals and feeding stuffs compared with 1968, despite the fact that producers had larger supplies of domestic fodder than in the previous year.

2. Livestock and meat

Increased imports of dairy cattle and livestock for breeding were mainly due to the larger number of horses imported.

Imports were one third higher than in 1968 but were not as high as in 1967, a year in which the domestic pig production cycle was nearly at its lowest.

3. Dairy products

As a result of a set of measures taken to stabilize the situation in the dairy sector (to all intents and purposes this has now been achieved), imports of butter in 1969 were at the highest level yet attained.

The ratio of the take-over system for whole milk powder has been changed. It is now four parts of the domestic product for one of the imported product (until 31 January 1969 it was 2:1). There has only been a slight decline in imports, however.

4. Fresh eggs

Despite an increase of 2.6 per cent in the supply of domestic eggs, there was an appreciable rise in imports.

5. Vegetables

Imports were again higher.

Imports of potatoes, which declined in 1968, were higher in 1969 than in the three previous years. The area given over to this crop continues to shrink.

6. Fruit and fruit preparations

In comparison with recent years, there were record imports of apples and pears.

The main reason for the fall in imports of stone fruit in comparison with 1968 was a decline in imports of apricots. This decline may have been due to the relatively high price of the imported fruit.

Imports of fresh berries remained at the previous level.

The harvest of apples and pears for cider and perry was so abundant that Switzerland was unable to import any additional quantities.

7. Wines and grape juice

Despite the abundance of the 1968 harvest, it nevertheless proved possible to maintain wine imports at a high level. Imports of grape juice were 60 per cent higher than in the previous year.

The provenance of the wine imports is given in the annex.

8. Cut flowers

The growing demand made it possible to increase the number of import licences granted.

9. Alcohol

It will be seen that there was a striking increase in imports of alcohol, as a result of very favourable prices on the world market. Importers appeared to have laid in large stocks.

E. Information about products covered by certain bilateral agreements

During the 1969 consultations, Switzerland announced that it was prepared to provide more detailed information about the provenance of imported products covered by certain bilateral agreements.

The products concerned are cut flowers imported between 1 May and 25 October, salami and the like, tinned ham and wine in casks.

The 1969 import figures by countries will be found in an annex.

F. Concluding remarks

There has been no change in the basic aims of Swiss agricultural policy, as described in the last report (L/3214). The Swiss Government continues to pursue the same structural policy. The measures taken in that connexion are co-ordinated with a prices policy aimed at securing an equitable income for farmers, taking into account market trends.

In practice, there has been no change in the situation described in document L/3214 either. The degree of self-sufficiency in foodstuffs continues to be relatively low and remains under 60 per cent. Imports per head of the population are still the highest in the world. The proportion of the population engaged in agriculture continues to fall; the rural exodus, which is related to the structural policy, was on a scale comparable with that of previous years.

ANNEX I

Trend of Swiss Imports of Agricultural Products
Subject to Quantitative Restrictions

	<u>1967</u> <u>Tons</u>	<u>1968</u> <u>Tons</u>	<u>1969</u> <u>Tons</u>
1. <u>Cereals and feeding stuffs</u>			
(a) <u>Bread wheat</u>	<u>248,921</u>	<u>211,377</u>	<u>327,115</u>
(b) <u>Flour</u> (including hard wheat meal)	<u>603</u>	<u>370</u>	<u>74</u>
(c) <u>Fodder cereals and feeding stuffs</u>	<u>1,096,488</u>	<u>919,822</u>	<u>1,006,867</u>
(d) <u>Grain for sowing</u>	<u>7,704</u>	<u>6,208</u>	<u>6,335</u>
2. <u>Livestock and meat</u>	<u>Head</u>	<u>Head</u>	<u>Head</u>
(a) <u>Dairy cattle and livestock</u> <u>for breeding</u>	<u>2,571</u>	<u>2,447</u>	<u>2,841</u>
(b) <u>Cattle for slaughter</u>	<u>15,538</u>	<u>9,127</u>	<u>12,265</u>
	<u>Tons</u>	<u>Tons</u>	<u>Tons</u>
(c) <u>Meat, and animal fats</u>	<u>47,179</u>	<u>32,838</u>	<u>41,635</u>
(d) <u>Meat preparations and preserved meat</u>	<u>4,721</u>	<u>4,938</u>	<u>5,412</u>
3. <u>Dairy products</u>			
(a) <u>Fresh butter</u>	<u>765</u>	<u>2,367</u>	<u>13,340</u>
(b) <u>Whole milk powder</u>	<u>2,181</u>	<u>2,278</u>	<u>1,962</u>
(c) <u>Casein</u>	<u>196</u>	<u>329</u>	<u>525</u>

	<u>1967</u> <u>Tons</u>	<u>1968</u> <u>Tons</u>	<u>1969</u> <u>Tons</u>
4. <u>Fresh eggs</u>	<u>21,220</u>	<u>22,725</u>	<u>23,457</u>
5. <u>Vegetables</u>			
(a) <u>Fresh vegetables</u>	<u>140,627</u>	<u>142,427</u>	<u>145,176</u>
(b) <u>Food potatoes</u>	<u>8,735</u>	<u>6,921</u>	<u>9,566</u>
(c) <u>Potato products</u>	<u>85</u>	<u>59</u>	<u>51</u>
(d) <u>Seed potatoes</u>	<u>9,670</u>	<u>3,300</u>	<u>4,101</u>
(e) <u>Seedling onions for planting</u>	<u>140</u>	<u>95</u>	<u>106</u>
6. <u>Fruit and fruit preparations</u>			
(a) <u>Apples and pears</u>	<u>37,955</u>	<u>28,678</u>	<u>41,676</u>
(b) <u>Stone fruit (except peaches)</u>	<u>18,944</u>	<u>16,901</u>	<u>12,916</u>
(c) <u>Fresh berries</u>	<u>13,002</u>	<u>11,336</u>	<u>12,600</u>
(d) <u>Apples and pears for cider and perry</u>	<u>167</u>	<u>-</u>	<u>-</u>
(e) <u>Pectin</u>	<u>135</u>	<u>78</u>	<u>99</u>
(f) <u>Apple juice and pear juice</u>	<u>67</u>	<u>69</u>	<u>77</u>
	<u>1,000 hl.</u>	<u>1,000 hl.</u>	<u>1,000 hl.</u>
7. <u>Wine and grape juice</u>			
(a) <u>Wine in casks</u>	<u>1,443</u>	<u>1,524</u>	<u>1,664</u>
(b) <u>Grape juice</u>	<u>35.4</u>	<u>36.5</u>	<u>76.5</u>
	<u>Tons</u>	<u>Tons</u>	<u>Tons</u>
8. <u>Fresh flowers</u>			
<u>Cut flowers, 1 May-25 October</u>	<u>726</u>	<u>842</u>	<u>925</u>
	<u>1,000 hl.</u>	<u>1,000 hl.</u>	<u>1,000 hl.</u>
9. <u>Ethyl alcohol</u>	<u>123,105</u>	<u>74,060</u>	<u>260,501</u>

ANNEX II

Provenance of Imports of Certain Products
Subject to Quota Restriction

1. Cut flowers imported between 1 May and 25 October

	<u>kgs.</u>
Federal Republic of Germany	2,558
France	35,319
Italy	400,246
Netherlands	389,045
Denmark	13,143
Portugal	1,867
Spain	41,582
Bulgaria	1,427
Israel	18,543
Thailand	400
Singapore	697
United States	2,918
Australia	1,270
Miscellaneous	1,684

2. Salami and the like

	<u>kgs.</u>
Federal Republic of Germany	54,571
France	127,816
Italy	2,892,350
Netherlands	8,905
Denmark	3,178
Spain	5,459
Hungary	57,459
Miscellaneous	1,492

3. Tinned ham

	<u>kgs.</u>
Netherlands	20,895
Denmark	83,519
Miscellaneous	699

4. Wine in casks

	<u>hl.</u>
(a) <u>Red wine</u>	
Federal Republic of Germany	-
France	220,199
Italy	421,423
Netherlands	-
Belgium/Luxembourg	-
Austria	1,623
United Kingdom	-
Portugal	128,736
Spain	388,959
Greece	22,025
Turkey	10,260
Hungary	23,181
Bulgaria	12,270
Yugoslavia	21,961
Cyprus	13,308
Malta	573
Tunisia	1,260
Algeria	107,586
Morocco	21,282
Republic of South Africa	4,948
Israel	392
Argentina	2,239
Chile	12,802
Miscellaneous	

(b) White wine

	<u>hl.</u>
Federal Republic of Germany	715
France	7,364
Italy	7,086
Netherlands	-
Belgium/Luxembourg	-
United Kingdom	-
Spain	13,111
Hungary	153
Malta	18,549
Tunisia	293
Miscellaneous	90