

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

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SUBSIDIES

Notifications Pursuant to Article XVI:1

SWITZERLAND

The following notification, dated 28 March 1994, has been received from the Permanent Mission of Switzerland and covers the periods of 1990, 1991 and 1992.

Switzerland communicates the attached notification pursuant to Article XVI:1 out of a concern for transparency, on the understanding that it does not prejudice the nature of the measures described for the purposes of Article XVI:1 or the provisions of the Agreement on Subsidies.

PART ONE: AGRICULTURE

This notification is submitted pursuant to Article XVI:1 of the General Agreement. Some of the measures mentioned, however, probably do not operate to increase exports or reduce imports.

I. MILK AND DAIRY PRODUCTS

(a) Dairy account of the Confederation

Dairying is the most important branch of Swiss agriculture; it brings in about one third of the gross value of agricultural production. The dairy account of the Confederation shown below gives a general picture of the financial measures taken in this sector. The details of these measures will be studied in the succeeding chapters dealing with the various groups of dairy products.

(Sw F millions)

Accounting period (1 November-31 October)	1989/90	1990/91	1991/92
<u>Expenditure</u>			
1. Disposal of butter	363.5	420.7	420.6
2. Disposal of cheese	571.5	604.2	670.6
3. Contribution to cow keepers delivering milk to the trade	101.0	194.1	121.3
4. Additional price reduction for soft and semi-hard cheese	50.7	48.9	53.4
5. Other measures (including valorization of preserved milk products)	62.4	71.7	66.6
Total expenditure	1,149.1	1,339.6	1,332.5
<u>Coverage</u>			
1. General contribution by the Confederation	807.7	958.8	981.2
2. Revenue from charges and price supplements	290.1	311.0	276.5
3. Share of losses payable by producers	51.3	69.8	74.8
Total receipts	1,149.1	1,339.6	1,332.5

(b) Butter

1. Nature and extent of the subsidy

(i) Background and authority

- Agriculture Act of 3 October 1951;
- Order of the Federal Assembly of 29 September 1953 concerning milk, dairy products and edible fats;
- Federal Act of 21 December 1960 concerning goods at protected prices;
- Dairy Economy Order of 16 December 1988.

The Swiss butter market is governed by the Swiss Central Office for Butter Supplies (BUTYRA), a public co-operative society which holds the monopoly of butter imports. It levies a charge on imported butter, purchases at a price corresponding to the base price of milk any domestic butter which cannot be readily sold and arranges for its disposal with the help of contributions granted by the Confederation.

(ii) Incidence

The following subsidies, which may be granted concurrently, promote the disposal of butter on the domestic market only:

1. (a) BUTYRA pays a subsidy to the butter centres to enable them to sell table butter without loss at prices fixed by the Federal Council.

- (b) The Confederation allocates to BUTYRA the sums necessary to enable it to sell fresh or resolidified cooking butter at a reduced price. The amount of the price reduction, and consequently of the loss entailed, varies according to the destination and quality of the product.

2. BUTYRA shares in the cost of advertising to promote butter consumption.

3. In order to encourage the use of fresh skimmed milk for animal feed, BUTYRA pays a subsidy to users of this product.

(iii) Amount of subsidy

(Sw F millions)

Accounting period (1 November-31 October)	1989/90	1990/91	1991/92
1. Reduction in price of table butter (choice, full-cream and whey-based butter)	200.1	278.9	294.4
2. Reduction in price of cooking butter and resolidified butter, and storage, transport and interest costs	132.7	110.8	85.7
3. Advertising costs	9.6	6.9	9.4
4. Subsidy for fresh skimmed milk intended for animal feed	19.8	22.7	29.9
5. Miscellaneous contributions	1.3	1.4	1.2
Total expenditure on disposal of butter	363.5	420.7	420.6

(iv) Amount per unit

Subsidies for butter varied, according to quality, as follows (Sw F per kg.):

(Sw F per kg.)

	Choice butter	Cooking butter	Resolidified butter
From 1.2.1988	6.03	6.33 to 9.25	10.62 to 13.54
From 1.5.1990	6.09	5.18 to 10.18	8.51 to 13.51
From 1.3.1991	8.35	5.06 to 11.34	8.33 to 13.68

2. Effect of subsidy

In order to limit as far as possible the losses incurred in the valorization of milk, an order of priority is laid down. The largest possible proportion of domestic production is used to meet the demand for fresh milk and fresh dairy products, which can be sold without loss. For the rest, manufacture of cheese and preserved milk products takes priority over butter which involves the heaviest losses in the utilization of milk, and butter imports are encouraged.

The following tables show the trend in prices and consumption of butter since 1988:

Retail Prices(Sw F per kg.)¹

	From 1.7.1988	From 1.2.1990	From 1.3.1991
Choice butter (packages of 200 gr.)	19.00	19.00	17.00
Fresh cooking butter (packages of 250 gr.)	15.20	14.20	14.20
Resolidified butter (tins of 450 gr.)	13.22	13.22	13.22

Production, Trade and Consumption

('000 tons)

Year	Total production	Of which choice butter	Imports	Consumption ²
1990	37,292	24,480	4,290	42,531
1991	39,417	28,851	2,985	43,195
1992	38,091	28,166	4,934	43,378

Switzerland exports virtually no butter.

(c) Cheese1. Nature and extent of the subsidy(i) Background and authority

The legal basis is the same as for butter, with in addition the Federal Act of 27 June 1969 on cheese marketing.

Pursuant to these legislative provisions, the organizations of milk producers and of manufacturers and exporters of cheese established the Union Suisse du Commerce de Fromage S.A. (USF), which purchases the domestic output of hard cheese (Emmenthal, Gruyère and Sbrinz, representing 66 per cent of total output) at fixed prices and resells it through private firms at the best prices obtainable. However, in these operations, USF incurs losses which are charged to the dairy account of the Confederation.

(ii) Incidence

As the dairy account shows, most of the deficit resulting from USF operations is met by the Confederation; the remainder is borne by consumers and the producers. Certain valorization expenses are also met out of the dairy account in the case of other types of cheese which are not subject to compulsory delivery to USF. As to the incidence of the measures adopted in this connection it should be pointed out that, because of their quality, Swiss cheeses sell at higher prices than similar cheeses from other countries, whether on the home market or on export markets.

¹Since 1992, target price no longer fixed

²Allowing for fluctuations in stocks

(iii) Amount of subsidy

(Cf. dairy account, page 2)

(iv) Amount per unit

The losses incurred on disposal of cheese vary from market to market.

2. Effect of subsidy

The fact that the Confederation covers part of any deficits in the dairy account (the remainder being borne by the milk producers - see page 2) offsets the difference between, on the one hand, earnings from cheese sales on domestic and foreign markets³ and, on the other, the production costs of the same cheese, established according to the base price of milk.

Production, Trade and Consumption

('000 tons)

Year	Production	Imports	Exports	Consumption ⁴
1990	137.5	26.0	62.0	101.2
1991	142.1	27.6	61.8	105.0
1992	139.2	28.4	62.2	105.0

(d) Preserved milk products

1. Nature and extent of the subsidy

(i) Background and authority

The legal basis is the same as for butter.

(ii) Incidence

The subsidy is designed to safeguard traditional exports of preserved milk products. It is paid on the basis of the quantity of milk used for the manufacture of these products.

(iii) Amount of subsidy

The following amounts are included in the expenditure shown in the dairy account of the Confederation (see page 2).

(Sw F millions)

Period (1 November - 31 October)	1989/90	1990/91	1991/92
	33.5	31.9	31.2

³USF is under a duty to dispose of cheese at the highest possible prices.

⁴Allowing for fluctuations in stocks

(iv) Amount of subsidy per unit

The export contributions per kg. of milk used for the manufacture of these products have been as follows (in centimes per kg.):

	<u>From 1.2.1988</u>
- sterilized milk	54
- cream	65
- preserved milk products	63
- yoghurt	65

2. Effect of subsidy

Since foreign selling prices do not cover the production cost of milk, these subsidies are necessary in order to maintain traditional exports.

Production, Trade and Consumption⁵

(in tons of fresh milk used)

Year	Production	Imports	Exports		Consumption
			Commercial	Assistance schemes	
1990	174,200	33,400	51,700	8,000	147,900
1991	177,900	32,600	44,800	7,500	158,200
1992	166,200	38,300	47,100	7,800	149,600

(e) Measures taken in the field of dairy policy

Producer price

The base price guaranteed to milk producers has been fixed by the Government as follows:

from 1.2.1988 to 31.1.1990	102 centimes per kg.
from 1.2.1990	107 centimes per kg.

Quota system

A system limiting guaranteed payment of the base price for milk was instituted on 1 May 1977. Under this system, which has been modified several times, an individual quota is allotted to every milk producer in the plain, in the sub-Alpine hill zone and in mountain zone I. Since 1 May 1981 producers in mountain zones II to IV have been subject to a similar quota system. The new Dairy Economy Order of 16 December 1988 extended on 1 May 1990 the individual quota system to mountain zones II to IV, which were previously subject to global quotas for cooperatives. Within this quota, the base price is paid, less the normal deduction

⁵Not including cream

amounting to 2 centimes/kg. until 1 November 1989 and 4 centimes/kg. since that date. The producer pays an individual charge of not more than 85 per cent of the base price on any surplus.

Since 1 November 1989 an additional charge of up to 5 centimes/kg. has been levied on producers for milk deliveries of between 80,000 kg. and 200,000 kg. This charge can reach a maximum of 10 centimes/kg. for deliveries over 200,000 kg.

The following figures show that the milk production quota system has brought an appreciable stabilization of deliveries:

Period (1 November - 31 October)	Commercial milk ('000 tons)
1986/87	2,987
1987/88	2,998
1988/89	3,081
1989/90	3,014
1990/91	3,067
1991/92	3,008

Non-marketing subsidies for milk

In order to ease pressure on the milk market and to support mountain peasant incomes, subsidies to keepers of cows whose milk is not marketed were introduced in 1970. The relevant amounts, in Sw F per cow, are shown below:

	From 1.2.1988 to 31.10.1989	Since 1.11.1989
For the 2nd to 10th cow		
In mountain zones II-IV	1,620	1,820
In other areas	1,520	1,720
For the 11th to the 20th cow	1,520	1,680
For the 21st to the 50th cow	1,030	1,030
For the 51st to the 100th cow	600	500
As from the 101 cow	400	500

The total amounts paid in respect of these subsidies are included in the dairy account (see page 2).

II. BREEDING AND DAIRY CATTLE

1. Nature and extent of the subsidy

(i) Background and authority

- Agriculture Act of 3 October 1951;
- Federal Act of 15 June 1962 on the sale of cattle;

- Federal Act of 28 June 1974 on contributions to the costs of cattle-keepers in mountain areas and the sub-Alpine hill zone.

The various measures taken in this sector are intended primarily to improve the farming situation in the mountain areas, where animal husbandry is the principal, if not the only, source of livelihood. Assistance can thus be given to smallholdings in mountain areas, which are placed at a disadvantage both by their geographical situation and by the climate.

The specific purpose of these measures is to ensure that good-quality breeding and dairy cattle can generally be sold at prices which cover production costs. The measures are financed partly out of the proceeds of the price supplements charged on imported fodder and partly out of the general funds of the Confederation.

(ii) Incidence

1. Promotion of sales within the country

In order to avoid difficulties in the disposal of breeding and dairy cattle from mountain areas, the Confederation grants subsidies to cantons and authorized bodies which purchase animals from stock-breeders in those areas at markets, shows or fairs and incur losses in the process.

The Confederation refunds part of their expenditure to cantons which grant subsidies to breeders in mountain areas for the slaughter of breeding and dairy cattle which are of inferior quality and unfit to be kept. In addition, special culling campaigns have been launched in the plain. Farmers wishing to receive bonuses under these campaigns were required to purchase stock from mountain areas to replace the culls.

2. Maintenance of traditional exports

Subsidies are granted in order to bring the prices of exported livestock into line with those charged in traditional export markets. These contributions are calculated as a percentage of the selling price, plus a uniform supplement per head of stock; they are paid up to a fixed maximum. The Confederation also pays the cost of transport to the Swiss frontier.

3. Contribution to the expenses of cattle-keepers in mountain areas

In view of the adverse production conditions in mountain areas, the Confederation grants an annual allowance to cattle-keepers in those areas. The allowance is payable for 15 head of cattle per holding. In 1992, the allowance was paid to over 44,000 farms, for a total of 507,858 head.

(iii) Total amount of subsidy

(Sw F '000)

	1990	1991	1992
Promotion of sales within the country:			
- subsidies to relieve market pressure	573	2,708	2,964
- subsidies for culling	52,441	52,855	49,808
Maintenance of exports	32,573	35,128	26,327
Contribution to expenses of cattle-keepers in mountain areas and the sub-Alpine hill zone	242,713	263,813	272,698
Total	328,300	354,504	351,797

(iv) Amount per unit⁶

	Average Sw F per head		
Promotion of sales within the country:	760	770	760
- subsidies to relieve market pressure	394	397	380
- subsidies for culling	2,206	2,136	1,947
Maintenance of exports			
Contribution to expenses of cattle-keepers in mountain areas and the sub-Alpine hill zone (limited to 15 head of cattle per holding)			
- Sub-Alpine hill area	180 ⁷ /230 ⁸	210/260	210/260
- Mountain zone I	330/420	360/450	380/470
- Mountain zone II	540/710	580/750	620/790
- Mountain zone III	760/1,010	800/1,050	850/1,100
- Mountain zone IV	1,000/1,330	1,040/1,370	1,100/1,430

2. Effect of subsidy

Purchases intended to relieve market pressure are limited in time and geographically; their purpose is to prevent a collapse of livestock prices in mountain areas. They thus help to stabilize the income of farmers in those areas. The subsidies for culling campaigns aim at improving the quality and productivity of the livestock. In the long term, therefore, they provide a basis for improvements in income.

The export bonuses have made it possible to maintain traditional exports of cattle, mainly in the interests of breeding in mountain areas. Despite these subsidies, the prices of Swiss breeding and dairy cattle are generally higher than those of animals of foreign origin.

⁶The contributions to transport cost per unit cannot be determined.

⁷Cattle, breeding pigs and horses

⁸Sheep and goats

The contribution to the costs of cattle-keepers in hilly and mountainous areas is intended to ensure higher incomes for the peasant population in those areas in view of the difficult production conditions which prevail there.

Production and Exports of Breeding and Dairy Cattle

(head)

Year	Stock calves up to 1 year ⁹	Exports of calves, heifers, cows and bulls
1990	304,000	13,673
1991	298,400	15,085
1992	286,400	13,658

Switzerland imports practically no breeding or dairy cattle.

III. HORSES

1. Nature and extent of the subsidy

(i) Background and authority

- Agriculture Act of 3 October 1951.

The Federal Council takes measures designed to maintain domestic horse-breeding for the needs of agriculture, the army and equestrian sports. These measures apply to horses of the Franches-Montagnes and Hafling breeds, half-bred horses and mules.

(ii) Incidence

Annual or one-time bonuses are paid to owners or groupings of horse-breeders, in particular for the breeding and maintenance of good-quality stallions, fillies and geldings and for foaling.

A Federal financial export aid is paid to horse-breeders for exports of horses of the breeds encouraged by the Confederation, in order to offset the handicap resulting from higher domestic production costs. Total export subsidies in 1990, 1991 and 1992 amounted to Sw F 67,500, 128,000 and 184,000 per year, respectively.

(iii) Amount of subsidy

Year	Total (Sw F '000)	Foaling bonus (Sw F)	Annual bonus per foal aged 1½ to 3½ years (Sw F)
1990	2,273	60-200	400-700
1991	3,192	60-200	400-700
1992	3,212	60-200	400-700

⁹Census in April of each year

2. Effect of subsidy

Between 1951 and 1990 the number of horses declined from 131,000 to 45,000. The measures introduced should allow a limited number of horses to be maintained in agriculture and should encourage horse-breeding for equestrian sports.

Numbers and Trade

(head)

Year	Horse numbers	Imports ¹⁰	Exports ¹⁰
1990	45,300	3,304	799
1991	49,000	3,156	988
1992	51,700	3,657	917

IV. WOOL

1. Nature and extent of the subsidy

(i) Background and authority

- Federal Act of 15 June 1962 to facilitate the sale of breeding and dairy cattle, horses and wool

There are at present some 370,000 head of sheep, the great majority of which are in mountain areas. The subsidy enables the Swiss wool industry to purchase domestic wool, while at the same time it guarantees to producers, for part of their deliveries, prices corresponding more or less to the cost of production. It is designed on the one hand to raise the income level of the mountain population and on the other to guarantee, to some extent, the country's supply of domestic wool in time of crisis.

The Confederation allocates an annual contribution of 1.8 million francs; it is financed out of the price supplements levied on imported fodder and, if necessary, out of the general funds of the Confederation.

(ii) Incidence

The Domestic Wool Board (CLI), a subsidiary of the Swiss Sheepfarmers' Federation, purchases domestic wool from the producers. The price received by the producer comprises a Federal contribution fixed by the Department of Public Economy and an amount that varies with the prices obtained by the Board when reselling in the market. The Confederation reimburses CLI for any losses resulting from its operations up to a maximum amount of Sw F 200,000 per annum.

¹⁰Not including horses intended for slaughter

(iii) Amount of subsidy

Year	Total (Sw F '000)	Sw F per ton
1990	1,800	n.a.
1991	1,800	n.a.
1992	1,800	n.a.

2. Effect of subsidy

The subsidy improves the modest incomes of the mountain peasants and helps to prevent a decline in the sheep population.

It should be noted that domestic production covers only 5 to 7 per cent of total consumption. There are no restrictions whatsoever on imports, and the exports referred to below do not consist of domestic wool.

Production and Trade

(in tons)

Year	Production	Imports ¹¹	Exports ¹¹
1990	654	13,914	2,373
1991	715	13,873	2,707
1992	711	13,924	2,632

V. EGGS1. Nature and extent of the subsidy(i) Background and authority

- Agriculture Act of 3 October 1951;
- Federal Act of 21 December 1960 concerning goods at protected prices and the price equalization fund for eggs and egg products.

Importers of eggs in shell are obliged to take domestic eggs at the rate of 40 per cent of their imports for the preceding two years. A charge is levied on imports of eggs and egg products, and the proceeds from it are used mainly to reduce the price of domestic eggs taken over compulsorily by importers. The reduced take-over prices and the target prices to the producer are fixed by the authorities, after discussion with the producers and importers.

¹¹Wool, etc., falling within heading Nos. 5101.1100/1900, 5101.2100/2900, 5101.3000, 5105.1000/2100/2900.

(ii) Incidence

The price equalization fund for eggs and egg products is financed solely out of the charges levied on imported eggs and egg products. It covers the expenses of the bodies responsible for the collection, transport and distribution of domestic eggs intended for importers required to take them. It also contributes to the cost of advertising to promote egg consumption and can make grants for other measures designed to facilitate disposal of domestic eggs.

(iii) Amount of subsidy

Year	Total amount (Sw F '000)	Amount per egg taken over
1990	16,624	6.3 centimes
1991	15,042	7.4 centimes
1992	16,748	8.3 centimes

2. Effect of the subsidy

The subsidy facilitates the take-over by importers of domestic eggs purchased by the collecting bodies. Such take-overs affect less than 30 per cent of total domestic production. This production accounts for between 60 and 65 per cent of total consumption of eggs in shell.

Production, Trade and Consumption of Eggs in Shell

Year	Production	Imports (millions of eggs)	Consumption ¹¹
1990	635	515	972
1991	628	520	993
1992	651	530	977

Exports are negligible.

VI. BREAD GRAINS

1. Nature and extent of the subsidy

(i) Background and authority

- Wheat Act of 20 March 1959.

The subsidies are designed firstly to keep an area under wheat in order to safeguard the country's supplies in time of difficulty and secondly to relieve pressure on animal husbandry. In addition they are designed to ensure a fair return to farmers.

(ii) Incidence

The Wheat Administration purchases domestic bread wheat of good quality at prices which cover the average production costs and are fixed by the Federal Council.

The Wheat Administration can sell domestic wheat purchased from producers to millers at prices not exceeding the cost price (purchase price, cost of purchase, transport and storage, as well as expenses for putting up in sacks). The customs duty on imported bread wheat amounts to Sw F 3 per quintal for durum wheat and Sw F 28 per quintal for common wheat. The customs duty charged on imported bread wheat serves to reduce selling prices to the extent that it exceeds Sw F 3 per quintal.

Bread quality and foreign economic policy requirements mean that not more than 85 per cent of common wheat can be produced domestically; the remaining 15 per cent therefore has to be imported. In high-yield years, some of the harvest must be used to feed animals (denatured).

All durum wheat is imported; there is no domestic production.

(iii) Amount of subsidy

The amounts spent on subsidies by the Wheat Administration were as follows:

(Sw F '000)

	1990	1991	1992
Price reduction	34,344	10,095	15,235
Disposal of lower-quality domestic grains	73,917	26,195	29,255
Reduction of milling price and compensatory allowances	-	-	-
Acreage subsidies	20,630	21,500	3,500
Measures in favour of plant production	-	-	14,000
Other subsidies	1,400	1,450	1,450
Total subsidies	130,291	59,240	63,440

(iv) Amount per unit

(Sw F per 100 kg.)

	1990	1991	1992
Price reduction	8.47	2.67	3.69
Disposal of lower-quality domestic grains	37.58	36.56	37.21

Acresage Subsidies¹²

(Sw F per hectare)

	1990	1991	1992
Sloping land outside the mountain region	800	800	-
Extended intermediate zone ¹³	225	225	-
Intermediate zone ¹³	500	500	-
Sub-Alpine hill zone ¹³	720	720	-
Mountain region, zone I	950	950	-
Mountain region, zones II-IV	1,150	1,150	-

2. Effect of the subsidy

The subsidy makes it possible to grow wheat in Switzerland and thus helps to guarantee the country's supply in times of trouble.

Production, Trade and Consumption

Wheat and rye intended for human consumption and animal feed, in '000 tons.

Year	Production	Imports	Consumption
1990	570	248	849
1991	580	283	865
1992	536	278	836

Exports are negligible.

VII. FEED GRAINS

1. Nature and extent of the subsidy

(i) Background and authority

- Agriculture Act of 3 October 1951.

In order to guarantee the country's supplies in time of crisis and encourage arable farming in order to relieve pressure on animal husbandry, bonuses are paid to promote the growing of feed grains. The bonuses are financed out of price supplements levied on imported fodder.

(ii) Incidence

Feed grains cost more to grow than to buy imported, and crop bonuses proportionate to the area under cultivation are therefore paid to domestic producers of oats, barley, maize, high-protein peas and field beans. Until 1991, the allowances consisted of a basic bonus, with

¹²Subsidy abolished as from 1992.

¹³Except sloping land

supplementary bonuses for regions where farming conditions are difficult.¹⁴ They are fixed annually.

(iii) Total amount of crop bonuses

(Sw F '000)

1990	180,400	
1991	172,400	
1992	151,900	of which 54,200 as compensatory payments

(iv) Amount per unit

In 1990, 1991 and 1992, the following amounts per hectare were paid (Sw F):

	Barley and oats			Maize		
	1990	1991	1992	1990	1991	1992
For the first hectare	1,500	1,500	-	1,000	1,000	-
2 to 10 hectares	1,200	1,200	-	500	500	-
More than 10 hectares	950	950	800	-	-	-
For the first 10 hectares	-	-	1,100	-	-	-

As from 1992, no payment is made for maize.

In respect of field beans and high-protein peas, and regardless of surface area, the basic bonus was at the rate of Sw F 1,800 per hectare in 1990, 1991 and 1992.

2. Effect of the subsidy

The increase in the supplementary crop bonuses for feed grains is one of the measures designed to safeguard peasant income and at the same time to relieve pressure on animal husbandry. The purpose of the supplements for disadvantaged areas is to narrow the income gap with farms on the plain.

Production, Trade and Consumption
(not allowing for fluctuations in stocks)

Year	Production ¹⁴	Imports (⁰⁰⁰ tons)	Consumption
1990	861	131	992
1991	880	141	1,021
1992	784	87	871

¹⁴The supplementary bonuses were abolished and replaced on 1 January 1992 by compensatory payments which are acreage payments for the farm as a whole.

¹⁵Including declared bread grains

Exports are negligible.

VIII. COLZA SEEDS

1. Nature and extent of subsidy

(i) Background and authority

- Agriculture Act of 3 October 1951.

The measures taken to promote colza cultivation should be viewed in the general context of measures to promote arable farming. In addition, they are aimed at keeping a minimum area under oilseeds in order to make the country self-sufficient in vegetable oil in time of trouble. The Federal Council fixes annually the area for which it guarantees to producers the purchase of the colza crop. This area is 17,000 hectares. The Federal Council fixes the guaranteed price to the producer, taking into account production costs, yields and disposal prospects.

(ii) Incidence

Under the supervision of the Confederation, the organizations concerned conclude cultivation contracts with producers. The selling prices of colza oil are fixed in relation to the prices of other edible oils. The Confederation makes good to the oil-processing plants any loss resulting from the difference between their costs and the selling price of colza oil.

(iii) Amount of subsidy

Year	Total (Sw F '000)	Per ton of seed (Sw F)
1990	39,463	912
1991	49,100	971
1992	45,540	1,013

2. Effect of the subsidy

The subsidy has made it possible to keep a minimum area under colza as a basis for extension in case of need. Without the subsidy this crop would disappear. Domestic production is equivalent, on average, to 20-25 per cent of Swiss consumption of vegetable oils and fats.

Production, Trade and Consumption

(in tons)

Year	Seed production	Colza oil production
1990	43,252	21,276
1991	50,574	19,506
1992	44,711	20,836

Imports of colza seed and oil are irregular and small. There are no exports.

IX. SOYA BEANS

1. Nature and extent of subsidy

(i) Background and authority

- Agriculture Act of 3 October 1951

Soyabean production was introduced in 1988, in particular for biological reasons connected with the need for some diversification of crops. The measures to encourage soyabean production come within the general context of measures to promote arable farming. In particular, they are aimed at a minimum level of self-sufficiency. The Confederation guarantees producers that it will purchase soyabeans at the price which it sets. This guaranteed purchase applies to soyabeans produced on an area of up to a maximum of 2,000 hectares. The Federal Council fixes the price to the producer taking into account production costs, yields and disposal prospects.

(ii) Incidence

Under the supervision of the Confederation, the organizations concerned conclude on their own behalf a yearly cultivation contract with each producer. The selling price of soyabeans to oil-processing plants is determined in the light of the situation of world markets and world market prices. The Confederation bears the cost of the difference between the oil processor's costs and the selling price.

(iii) Amount of subsidy

Year	Total (Sw F '000)	Per ton (Sw F)
1990	3,137	1,202
1991	3,800	1,048
1992	5,000	1,053

2. Effect of the subsidy

The subsidy makes it possible to keep a minimum area under soyabeans.

Production, Trade and Consumption

(in tons)

Year	Soya-bean production	Imports of soya oil ¹⁶	Exports of soya oil ¹⁶	Consumption of soya oil
1990	2,611	2,679	9,389	n.a.
1991	3,626	1,766	10,422	n.a.
1992	4,750	321	9,171	n.a.

¹⁶Tariff headings 1507/1000/9010/9090

IX. SUGAR BEET

1. Nature and extent of the subsidy

(i) Background and authority

- Federal Order of 23 June 1989 concerning the domestic sugar industry.

In order to enable the sugar refineries to take over, at prices fixed by the Federal Council, the beet produced under the cultivation contracts concluded with the planters, the Confederation grants them a subsidy in the form of a guarantee against any deficit. The price of beet corresponds in principle to the cost of production on properly run farms. Imports of sugar are unrestricted. Consequently the sugar refineries must sell the sugar refined in Switzerland at a price equal to that of imported sugar, customs cleared. This may involve them in a loss when the world price is very low.

(ii) Incidence

The Federal Order concerning the domestic sugar industry, which came into force on 1 October 1989, will be in force until 30 September 1999. Any losses incurred through the sale of domestic sugar are covered, in the order shown, by:

1. Any gains made in previous years;
2. An initial contribution of not more than Sw F 10 million per annum from the Confederation;
3. Other resources, chiefly:
 - a supplementary contribution of Sw F 1.5 million from the Confederation;
 - a charge of Sw F 3.30 per 100 kg. of sugar imported;
 - a contribution from the planters of 6 centimes on average per 100 kg. of beet.

The maximum quantity of beet for which the Confederation guarantees disposal at the price fixed is determined each year by the Federal Council. Since 1983 it has been fixed at 850,000 tons.

(iii) Amount of subsidy

Year	Total (Sw F million)	Per kg. of domestic refined sugar (centimes)
1990	25,500	17.3
1991	20,500	16.4
1992	23,300	18.6

2. Effect of the subsidy

Thanks to the Confederation guarantee, the sugar refineries are in a position to process domestic sugar beet even when sugar prices on the world market are extremely low.

This both helps to secure the country's supplies in times of trouble and serves the purpose of promoting arable farming in order to relieve pressure on animal husbandry. Domestic production covers about 45 per cent of total consumption.

Production, Trade and Consumption of Sugar

(in tons)

Year	Production	Imports ¹⁷	Exports ¹⁷	Consumption
1990	147,031	104,931	360	281,405
1991	125,407	109,951	457	282,523
1992	126,081	140,636	543	285,693

XI. POTATOES

1. Nature and extent of the subsidy

(i) Background and authority

- Article 32 *bis* of the Federal Constitution;
- Federal Act of 21 June 1932 on alcohol;
- Agriculture Act of 3 October 1951.

Article 32 *bis* of the Federal Constitution calls for legislation to encourage the use of domestic distillable materials - including potatoes - for food or fodder. This provision is designed *inter alia* to reduce the production and consumption of spirits with a view to safeguarding public health. Article 8 of the Alcohol Act authorizes the distillation of potatoes only if the crop cannot be used in a more appropriate manner. In this context, therefore, the subsidies serve to promote the use of potatoes for purposes other than alcohol production.

The producer prices of potatoes are fixed annually before the beginning of the main harvest, taking into account in particular average production costs and quality. The subsidies are financed out of the revenues of the Federal Alcohol Administration and the general funds of the Confederation.

(ii) Incidence

The subsidies take the following forms:

1. Participation in the cost of information and advertising to promote potato consumption;

¹⁷Headings 1701.1100/1200/9100/9900 of the customs tariff

2. Sale of potatoes to the needy at reduced prices for use as food;
3. Subsidies to transport costs;
4. Disposal of potato seedlings;
5. Subsidies for the utilization of surpluses in the form of aids to the processing of potatoes into flakes or flour for fodder and of export promotion;
6. Subsidies to organizations and for research;
7. To maintain rational cultivation of potatoes in mountain areas or on sloping ground in other areas, subsidies are granted in the form of sharing in the higher production costs involved. This measure was eliminated in 1992/93.

(iii) Amount of subsidy (Sw F '000)

Utilization of Potatoes (1-6)

('000 tons)

Year (1.7 to 30.6)	Total	Of which surpluses (5)	Subsidies to area
1989/90	29,341	24,743	4,217
1990/91	40,634	34,909	4,027
1991/92	49,460	44,886	3,874

(iv) Amount per unit

Year	Utilization of surpluses (Sw F per ton)
1989/90	135.95
1990/91	240.92
1991/92	301.45

Acreage Subsidies

(Sw F per hectare)

Year	Mountain areas	Sloping land in plain areas
1990	2,200	1,600
1991	2,200	1,600
1992	-	-

2. Effect of subsidy

Domestic production has long been sufficient to meet the country's requirements (except for new potatoes and potato seedlings); the subsidies make it possible to protect public health by

promoting the utilization of domestic distillable materials for purposes other than the production of alcohol.

The amount of the export aids depends on the price situation on the various export markets. The policy pursued in this connection does not involve undercutting and does not result in lower prices for exported Swiss products than for the corresponding domestic products in the market of the country of destination.

Production, Trade and Consumption
(food, seed and fodder potatoes)

('000 tons)

Year	Harvest	Imports	Exports	Share of harvest intended for domestic human consumption
1990	857	12	14	410
1991	802	13	15	410
1992	841	13	13	410

XII. FRUIT

1. Nature and extent of the subsidy

(i) Background and authority

- Article 32 *bis* of the Federal Constitution;
- Federal Act of 21 June 1932 concerning alcohol;
- Agriculture Act of 3 October 1951.

Article 32 *bis* of the Federal Constitution calls for legislation to aim at reducing the production and consumption of spirits and promoting the production of dessert fruit. As a result of the measures adopted to that end, Swiss per capita consumption of fresh fruit is among the highest in Europe.

(ii) Incidence

The subsidies are granted in different ways according to their nature.

1. Participation in the cost of information and advertising to promote fruit consumption.
2. Sale of dessert apples at reduced prices to the needy.
3. The subsidies paid to promote the utilization of surpluses without distillation are intended mainly for manufacturers of concentrated fruit juice. The grant of these subsidies is conditional on adherence to the target prices fixed by the Federal Council for the fruit in question.
4. Export subsidies may be granted in particular cases in order to safeguard exports of fruit and concentrated juice to traditional markets.

5. Subsidies for the transformation of fruit growing, designed to make cultivation more efficient and to improve the quality of fruit, are granted to cantons which themselves provide assistance for this purpose.
6. The authorities pay subsidies to facilitate the disposal of domestic apricots. Since 1982, the subsidies have been limited to apricots intended for industrial processing. Without these subsidies, marketing difficulties would be inevitable, for the Swiss apricots arrive on a market already amply supplied with imports, before the introduction of the import restrictions.

(iii) Amount of subsidy

(Sw F '000)

Year (1.7 to 30.6)	Utilization of fruit		Transformation of fruit growing (5)	Disposal of apricots (6) ¹⁸
	Total (1-4)	of which concentrated fruit (3)		
1989/90	44,434	38,906	1,175	3,550
1990/91	29,020	20,340	1,073	259
1991/92	4,146	1,640	1,318	1,617

(iv) Amount per unit

The subsidies to reduce the price of fruit for the needy and for persons living in mountain areas have fluctuated on the average between 39 and 47 centimes per kg.

The subsidies for apricot disposal amounted to 47 centimes per kg. of apricots processed in 1990, 1991 and 1992.

The amount per unit of the other subsidies cannot be shown because it varies too widely with conditions and with the market situation.

2. Effect of subsidy

The main effect of the subsidies is to ensure, to a great extent, that the pip-fruit crop can be used for purposes other than the production of alcohol. As per capita consumption of fruit is very high in Switzerland, domestic production of dessert fruit covers only slightly more than half of the country's requirements, according to the year.

¹⁸Calendar years 1990, 1991 and 1992

Production and Trade

('000 tons)

Year	Production		Imports	
	Total ¹⁹	Of which apples	Chapter 08	Heading 0808/0809
1990	490	354	427	67
1991	250 (prov)	146 (prov)	452	81
1992	n.a.	n.a.	449	81

The quantity of fruit exported amount to:

1990: 3,537 tons
1991: 2,719 tons
1992: 2,272 tons

XIII. WINE, GRAPE JUICE, DESSERT GRAPES

1. Nature and extent of the subsidy

(i) Background and authority

- Agriculture Act of 3 October 1951;
- Federal Order of 22 June 1979 instituting measures in favour of viticulture;
- Wine Statute of 23 December 1971.

Grape growing is restricted to the areas suitable for wine production, as determined by the vineyard survey. Outside that area the planting of new vines is prohibited; within the area permission must be obtained.

Subsidies have been granted for the following measures aimed at encouraging disposal of the harvest:

1. Maintenance of quality by vineyard renewal and verification of grape harvest;
2. Non-alcoholic use of grapes (grape juice and dessert grapes);
3. Industrial use of part of surplus wine.

These measures are financed out of the vineyard fund, which is constituted from the proceeds of a charge of Sw F 8.00 per quintal on wine imported in casks and of the additional customs duty levied on imports of red wine in bottles in excess of a certain quantity.

(ii) Incidence

The contributions to vineyard renewal are paid to the producer for terraced plots and plots having a slope of 30 per cent or more. They were abolished in 1993.

¹⁹ Apples, pears, cherries, plums and prunes, apricots and walnuts

Subsidies for the non-alcoholic use of grapes are granted to dessert-grape traders on condition that they pay the fixed prices to the producer. These subsidies must ultimately be passed on to the consumer.

(iii) Amount of subsidy

(Sw F '000)

Year	Vineyard renewal	Verification of harvest	Utilization of grapes ²⁰
1990	2,704	946	2,028
1991	2,236	1,003	3,034
1992	2,160	1,358	2,454

(iv) Amount

Renewal of vineyards (Sw F per square metre):

- for plots with a slope of 30 to 50 per cent 2.-
- for plots with a slope of more than 50 per cent and terraced plots 3.-

Non-alcoholic use of grapes: between 30 centimes and Sw F 2.35 per litre.

2. Effect of subsidy

The subsidies for the non-alcoholic use of grapes assist in the disposal of the harvest of certain types of grapes (Americano from the Tessin). In particular they make it possible to reduce consumer prices of these grapes or of the juice extracted from them.

Production, Trade and Consumption

Wine

('000 hectolitres)

Year	Production	Imports	Exports	Consumption ²¹
1990	1,334	1,730	11	3,188
1991	1,301	1,708	11	3,174
1992	1,249	1,631	12	3,039

²⁰Including industrial use

²¹For wine and grape juice, consumption is calculated on the basis of the vineyard year (1 July to 30 June) 1989/90, 1990/91 and 1991/92.

Grape Juice

('000 hectolitres)

Year	Production	Imports	Exports	Consumption ²¹
1990	20	99	0.3	129
1991	36	99	0.3	125
1992	13	87	0.3	132

Dessert Grapes

('000 tonnes)

Year	Production	Imports	Exports	Consumption ²¹
1990	0.7	34.0	-	34.7
1991	1.2	32.1	-	33.3
1992	0.9	35.0	-	35.9

XIV. PROCESSED AGRICULTURAL PRODUCTS

1. Nature and extent of the subsidy

(i) Background and authority

- Articles 28 and 31 *bis* of the Federal Constitution;
- Federal Law of 13 December 1974 on the import and export of processed agricultural products.

In order to place the Swiss foodstuffs industry on an equal footing with foreign competitors in respect of the cost of agricultural commodities used in the preparation of processed products, the above-mentioned law authorizes Switzerland:

- to charge variable elements on imports;
- to grant contributions on exports.

The contributions on exports as well as the variable elements on imports are calculated periodically on the basis of the difference between Swiss and foreign prices of agricultural commodities.

(ii) Incidence

The contributions on exports have been granted since 1 June 1976 for the following agricultural commodities:

- dairy products;
- preserved eggs;
- cereal products;

sugar and molasses

when they are exported in the form of processed foodstuffs, such as chocolate, biscuits, infant food, confectionery, macaroni, spaghetti and the like, soups, sauces, etc.

(iii) Amount of subsidy

For 1990, 1991 and 1992, the amount of the contributions to exports paid for each of the four agricultural commodity categories mentioned above has been as follows:

(Sw F '000)

	1990	1991	1992
Dairy products	55,227	78,017	78,438
Cereal products	7,516	12,718	13,722
Preserved eggs	1,081	1,364	1,526
Sugar and molasses	9,337	11,003	11,541

(iv) Amount per unit

The contributions to exports are calculated and fixed each month²² for each of the principal agricultural commodities used by the foodstuffs industry on the basis of the difference between Swiss and foreign representative prices. The amount per unit of processed product also depends on the quantities of agricultural commodities used in preparing the goods exported.

2. Effect of subsidy

The subsidy allows Swiss undertakings to be placed, on foreign markets, in the same competitive conditions as foreign undertakings in respect of the cost of purchasing the principal agricultural commodities.

Production, Imports, Exports and Consumption of the Principal Processed Agricultural Products

('000 tons)

Year	Production	Imports	Exports	Consumption
1990	348	56	102	302
1991	364	64	116	312
1992	369	69	121	317

²²Publication in the Feuille officielle suisse du commerce

PART TWO: INDUSTRY

Period Covered: 1990 to 1992

The Swiss Government notifies below the subsidies granted in the industrial sector during the financial years 1990/1991/1992. In view of their limited financial impact, these subsidies have had very small economic repercussions. The first two are part of a structural adjustment policy strategy. The Swiss Office for Development of Trade (OSEC) is a permanent institution. Lastly, it may be pointed out that the encouragement of Swiss film production has not really an economic, but a cultural objective.

A common characteristic of the subsidies is their general purpose. They are not designed to promote a specific product or category of products. It is therefore impossible to break down the total amount of a subsidy by units of production. Hence, in what follows no attempt has been made to calculate amounts per unit.

I. FINANCIAL ASSISTANCE TO AREAS WHOSE ECONOMY IS THREATENED

1. Nature and extent of the subsidy

(i) Background and authority

In order to reduce the uniformity of certain regional economic structures, so as to avoid, if possible, dependence of the employment market on a single branch of industry (for example, watch and clock-making), the Confederation gives additional financial assistance to encourage the carrying out of economic projects in the private sector designed to create and maintain diversification of employment in areas whose economy is threatened.

(ii) Incidence

This Federal assistance is intended to benefit the areas whose economy is threatened. Such areas are considered to be:

- (a) those whose economy is centred on a single industry; and
- (b) those in which there has been, or is expected to be, a great reduction in the number of jobs, or which have severe unemployment, or which are threatened with imminent unemployment.

Federal assistance may be granted to all artisanal or industrial undertakings, Swiss or foreign, for projects which, in areas having a threatened economy, make it possible:

- (a) to continue to develop their products or to adopt new manufacturing processes and new distribution programmes, in order to adapt to the trend of the market and the possibilities it offers;
- (b) to start up the manufacture and marketing of new products.

Financial assistance is allocated in the form of:

- (a) sureties to guarantee investment loans;
- (b) contributions to the servicing of loans granted by banks;
- (c) tax reductions.

For the Confederation to be able to guarantee up to one third (one half in exceptional circumstances) of the total cost of a project, the following conditions must be satisfied:

- the capital invested by the undertaking itself must cover a reasonable proportion of the total cost of the project;
- a bank must advance, on the usual terms offered on the market, the credits needed to finance the project, and give an interest rate reduction of at least one quarter of the usual commercial rate on the guaranteed part of the loan;
- the canton in which the project is carried out must assume responsibility for half of any losses under the guarantee.

Surety obligations may be contracted for ten years at the most.

The participation of the Confederation in servicing the guaranteed part of the loans, and the tax reductions provided for in the above-mentioned Federal Order, are dependent upon equivalent measures by the cantons.

(iii) Amount of subsidy

Under the Order, surety obligations contracted by the Confederation may not exceed Sw F 300 million. In addition, to finance the contribution to loan service a programme credit of Sw F 50 million has been opened.

Assistance by the Confederation has been as follows:

(Sw F million)

	1990	1991	1992
Total amount of credits guaranteed	34.8	33.9	14.7
Effective provision to cover losses	2.5	3.8	3.5
Contribution to loan service	3.3	4.1	4.3
Subsidies to information services	0.4	0.5	0.5
Number of cases	29.0	25.0	18.0

(iv) Estimated amount per unit

See introduction.

2. Effects of the subsidy

Evaluation of quantitative effects of the subsidy on trade

By reason of their nature, these measures will produce their full effects only in the medium and long term. It may already be noted, however, that they have helped to maintain several hundred jobs and to create about 4,000 jobs in areas whose economy is threatened.

3. Guarantees and loan service contributions in mountain regions (Federal Law encouraging credit guarantees in mountain regions of 25 June 1976)

The purposes of this measure are to facilitate access to capital for small and medium-sized enterprises and to promote regional development. The Federal Government contributes to the losses of the Swiss Guarantee Co-operative (90 per cent) and its extraordinary expenses. In addition, the Federal Government makes a contribution to loan service of up to 40 per cent of the interest payable. The amount of the principal debt to be guaranteed must not exceed Sw F 500,000.

The amounts of these contributions are as follows:

Guarantees

(Sw F million)

	Number of cases	Amount of guarantee	Losses on guarantee
1990	51	20.6	0.4
1991	59	19.6	0.5
1992	55	19.6	4.0

Loan Service Contributions

(Sw F million)

	Number of cases	Guarantee amount
1990	46	0.9
1991	37	1.1
1992	40	1.3

II. PROMOTION PROGRAMMES AND ENCOURAGEMENT OF APPLIED RESEARCH

1. Nature and extent of the subsidy

(i) Background and authority

These programmes fall in the category of supply-side measures. They consist essentially of advanced vocational training programmes of limited length and support for research aimed at practical goals.

1. Federal Order of 23 June 1989 on measures to improve training and the extension and dissemination of know-how in the areas of building renovation, rational utilization of electricity and renewable energy resources. Federal Order of 23 June 1989 on the

financing of the Construction and Energy Action Programme. Federal Council Order of 27 February 1991 on the strengthening of the PACER and RAVEL promotion programmes (commitment appropriations totalling Sw F 55.1 million for the period 1990-1995).

- Advanced training in building renovation;
 - Advanced training in rational utilization of electricity (RAVEL);
 - Advanced training in renewable energy resources (PACER).
2. Federal Order of 5 December 1985 and of 16 September 1991 on the funding of applied research and development during the periods 1986-1991 (commitment appropriation of 149.1 million francs) and 1992-1995 (commitment appropriation of 150 million francs).
 3. Federal Order of 16 December 1987 on the funding on technological cooperation in Europe for the period 1988-1991 (commitment appropriation of 80 million francs). Federal Order of 16 September 1991 on the funding of technological cooperation under the EUREKA programme during the period 1992-1995 (commitment appropriation of 50 million francs).
 4. Federal Order of 20 March 1990 on the financing of special measures for the promotion of new computer-integrated manufacturing methods (CIM action programme, commitment appropriation of 102 million francs) (for the years 1990-1995).
 5. Federal Order of 20 September 1991 on the financing of special measures for the promotion of new micro-electronics technology (commitment appropriation of 150 million francs)(for the years 1992-1997).

(ii) Incidence

A central characteristic of the advanced training programmes is that they are jointly prepared by business, higher educational establishments and the Government. They are often carried out by associations. They aim at the rapid dissemination of technological know-how.

Research aimed at practical goals is promoted on the basis of financial support for projects drawn up jointly by the business and scientific communities. The Confederation makes its financial contribution, usually representing half the cost of a project, to the higher educational establishments.

Undertakings profit only indirectly from the subsidies through a supply of better skilled labour and research results. Subsidies are not paid to undertakings.

(iii) Amount of subsidy

The amount of the subsidies granted is (in millions of francs):

<u>1990</u>	<u>1991</u>	<u>1992</u>
58.1	72.6	99.1

(iv) Estimated amount per unit

See introduction.

2. Effects of the subsidy

Evaluation of the quantitative effects of the subsidy on trade

The measures are aimed above all at improving general conditions, and it is therefore impossible to quantify their effects. In view of their small financial impact, their effects on trade can only be very slight.

III. CONTRIBUTION TO THE SWISS OFFICE FOR DEVELOPMENT OF TRADE (OSEC)

1. Nature and extent of the subsidy

(i) Background and authority

The Swiss Office for Development of Trade (OSEC) is a private-law institution in which trade, industry and the Federal authorities have joined together to develop and expand economic relations between Switzerland and foreign countries, and to promote the export of Swiss products and services, with a view to maintaining full employment and, in general, promoting awareness of Switzerland abroad.

The legal bases are laid down in the Federal Law of 28 June 1982 allocating a contribution to the Swiss Office for Development of Trade.

(ii) Incidence

The activities of OSEC are as follows:

- (a) tasks especially concerned with developing awareness of Switzerland abroad, such as special publications on Switzerland, press services, facilities granted to foreign journalists, visitors' services, etc.;
- (b) tasks designed to promote economic and trade relations with foreign countries, such as the organization of exhibitions and Swiss participation in international fairs and exhibitions, special advertising campaigns abroad, provision of documentation and information on the Swiss economy, documentation on foreign countries, exploratory journeys, etc.

The expenses of the Swiss Office for Development of Trade are financed by the members, including the Confederation, which pay contributions, and by the receipts from services provided.

(iii) Amount of subsidy

The total contribution allocated by the Confederation to the Swiss Office for Development of Trade was as follows:

<u>1990</u>	<u>1991</u>	<u>1992</u>
	(Sw F million)	
10	10	10

(iv) Estimated amount per unit

See introduction.

2. Effect of subsidy

Evaluation of quantitative effects of the subsidy on trade

As the activities of the Swiss Office for Development of Trade (OSEC) are designed to encourage Swiss exports in general, it is impossible to quantify their effects.

IV. ENCOURAGEMENT OF SWISS FILM PRODUCTION

1. Nature and extent of the subsidy

(i) Background and authority

The objective to be pursued is not economic but cultural. The main purpose is to ensure the continuation of Swiss film production and enable the industry to make full-length feature films, documentaries and cultural and educational films of high quality, which are of value from the point of view of culture.

The relevant legal provisions are laid down in the Federal Law of 28 September 1962 on the cinema.

(ii) Incidence

The Confederation may encourage the production of Swiss films of value, in particular by:

- (a) contributions and other assistance in meeting the cost of film production;
- (b) bonuses for high-quality films;
- (c) contributions to the operating costs of Swiss film studios;
- (d) granting fellowships to provide or complete the professional training of cinematograph personnel.

Each year, the budget of the Confederation fixes a maximum amount for the promotional measures. The Federal Council allocates subsidies within the limits of this maximum after consultation with the Federal Cinema Commission and the "Pro Helvetia" Foundation.

(iii) Amount of subsidy

The total amount of subsidies granted was as follows:

(Sw F '000)

<u>1990</u>	<u>1991</u>	<u>1992</u>
11.5	12	15.2

(iv) Estimated amount per unit

The amount granted for each film varies considerably, according to its nature, category and length. Consequently, calculation of an amount per unit would be meaningless.

2. Effect of subsidy

In view of the limited financial means available to the Confederation for subsidizing Swiss film production, there can be no question of trying to develop this industry. The aim is rather to offset, to some extent, the difficulties encountered in producing films in a small country where four languages are spoken. Swiss production has remained very marginal; it varied between 12 and 15 films a year in the period under consideration.