

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## SUBSIDIES

### Notifications Pursuant to Article XVI:1

#### SWITZERLAND

This document updates, for the year 1981, the information furnished in the full notification of subsidies covering the period 1978-1980, reproduced in document L/5102/Add.9 of 30 December 1981.

#### Part One: Agriculture

##### I. Milk and dairy products

##### 1. Dairy account (period 1 November - 31 October)

During the accounting period 1980/81, expenditure provided for in the dairy account of the Confederation was as follows:

	<u>Sw F'000</u>
<u>Total</u>	<u>661,126</u>
including mainly:	
- valorization of butter	216,842
- valorization of cheese	348,673
- other measures (including valorization of preserved milk products)	20,292
- contributions to producers delivering neither milk nor dairy products	47,230

This expenditure was covered in the following way:

	<u>Sw F'000</u>
<u>Payments by the Confederation</u>	<u>614,822</u>
of which:	
- general funds	409,827
- revenue from charges and price supplements	204,995
<u>Share of losses payable by producers</u>	<u>46,304</u>

2. Butter

No changes have been made to the policy and measures described in earlier notifications.

3. Cheese

No changes have been made to the policy and measures described in earlier notifications.

4. Preserved milk products

In 1981, the export contributions paid per kg. of milk used for the manufacture of these products were as follows:

- sterilized milk: 43 centimes
- fresh milk products: 48 centimes (January-October);  
from 1 November on yoghurt only (48 centimes)
- preserved milk products: 58 centimes (January-June);  
from 1 July on, 52 centimes except for preserved cream products  
(58 centimes)

5. Other measures

No changes have been made to the policy and measures described in earlier notifications.

II. Breeding and dairy cattle

No changes have been made to the policy and measures described in earlier notifications.

<u>- Total amount of subsidy</u>	<u>Sw F'000</u>
. Promotion of sales within the country:	
- subsidies to relieve market pressure	1,248
- subsidies for culling	26,341
- contributions to transport costs	1,102
. Maintenance of exports	30,212
. Special campaigns	1,097
. Contributions to expenses of cattle-keepers in mountain areas	122,283
<u>Total</u>	<u>182,283</u>

<u>- Amount per unit</u> <sup>1</sup>	<u>Average francs per head</u>
• Promotion of sales within the country:	
- subsidies to relieve market pressure	448
- subsidies for culling	300
• Maintenance of exports	1,878
• Contribution to expenses of cattle-keepers in mountain areas (limited to fifteen head of adult cattle per holding)	
- sub-Alpine hill areas	80
- mountain zone I	140
- mountain zone II	270
- mountain zone III	400
- mountain zone IV	500

### III. Wool

No changes have been made to the policy and measures described in earlier notifications.

- Total amount of subsidy  
Sw F 1,591,000 for 640 tons of wool

- Amount per unit  
Sw F 2,486 per ton

### IV. Eggs

No changes have been made to the policy and measures described in earlier notifications.

- Total amount of subsidy  
Sw F 8,420,000

- Amount per unit  
5.1 centimes per egg taken over

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<sup>1</sup>No amount per unit can be calculated in respect of contributions to transport costs and special campaigns.

V. Bread grains

In the context of the "1980 Economies Programme" the new Wheat Act designed to eliminate the price reduction on domestic grains by the Confederation was brought into effect on 1 October 1981.

- <u>Total amount of subsidy</u>	<u>Sw F'000</u>
. Price premiums on domestic grains	96,622
. Milling bonuses and compensatory allowances	6,724
. Acreage subsidies	12,362
. Other subsidies	2,639
Total subsidies	<u>118,347</u>
- <u>Amount per unit</u>	<u>Sw F per 100 kg.</u>
Purchase of bread wheat	27.10
Milling bonus	
- average	27.00
- variable according to altitude of the farm	from 25.00 to 43.00
- <u>Acreage subsidies</u>	<u>Sw F per hectare</u>
. Steeply sloping land and sub-Alpine hill zone	650
. Intermediate zone except steeply sloping land	450
. Mountain zone I	800
. Mountain zone II	1,000

VI. Feed grains

No changes have been made to the policy and measures described in earlier notifications.

- <u>Total amount of subsidy</u>	<u>Sw F'000</u>
Crop bonuses	91,203
- <u>Amount per unit</u>	

Crop bonuses

The basic bonus is scaled according to the surface under cultivation and is calculated for each farm, as follows:

	For the first 5 hectares Sw F/ha	For the surface between 5.01 and 10.00 hectares Sw F/ha	For the surface in excess of 10.00 hectares Sw F/ha
Oats and barley	1,200	1,000	1,000
Maize	950	600	300
Field beans	1,200	1,200	1,200

In regions where farming conditions are difficult, the supplement is fixed as follows:

	<u>Sw F/ha</u>
. Sloping land	600
. Intermediate zone, except sloping land	250
. Sub-Alpine hill zone	450
. Mountain zone I	600
. Mountain zone II	750

A supplement at the rate of Sw F 600 per hectare is granted for farming on sloping land in the intermediate zone or the sub-Alpine hill region.

VII. Colza

The area for which the Confederation guarantees to producers the purchase of the crop has been maintained at 13,000 hectares.

- Total amount of subsidy  
Sw F 27 million for 34,106 tons of colza seed
- Amount per unit  
Sw F 792 per ton

VIII. Sugar beet

No changes have been made to the policy and measures described in earlier notifications.

In 1981 the quantity and area eligible for the price guarantee were fixed at 750,000 tons. Due to exceptional yield per hectare, however, the total quantity harvested on the area sown to beet (14,413 hectares) was 901,956 tons.

- Total amount of the subsidy  
Sw F 7,663,000
- Amount per unit (per kg. of refined sugar)  
6.2 centimes

#### IX. Potatoes

No changes have been made to the policy and measures described in earlier notifications.

- Total amount of subsidy (accounting period: 1 July-30 June)

	<u>Sw F'000</u>
	<u>1980/81</u>
<u>Promotion of utilization of potatoes</u>	<u>9,778</u>
. Sales of potatoes to the needy at reduced prices	1,032
. Subsidies for transport	97
. Disposal of potato seedlings	2,952
. Subsidies for utilization of potato surpluses	4,631
. Subsidies to organizations and for research	325
. Information and advertising	741
<u>Promotion of potato cultivation in mountain areas and on sloping land (including half paid out of Federal funds)</u>	4,381
- <u>Amount per unit</u>	<u>Sw F per ton</u>
	<u>1980/81</u>
. Reduction in price for the needy	128.33
. Utilization of surpluses	27.93
- <u>Subsidies on area</u>	<u>Sw F per hectare</u>
. Mountain regions	1,500
. Sloping land outside mountain regions	1,200

X. Fruit

No changes have been made to the policy and measures described in earlier notifications.

- Total amount of subsidy (accounting period: 1 July-30 June)

	<u>Sw F'000</u>
	<u>(1980/81)</u>
<u>Promotion of utilization of fruit</u>	12,928
. Information and advertising	2,068
. Sales of pip fruit at reduced prices	601
. Utilization of pip fruit	2,853
. Utilization of concentrated fruit juice	6,042
. Utilization of cherries and plums	589
. Subsidies to organizations and for research	775
<u>Conversion of fruit-growing</u>	<u>778</u>
<u>Disposal of apricots from canton Valais</u>	<u>1,403</u>

- Amount per unit

The subsidies to reduce the price of fruit for the needy and for persons living in mountain regions were on average 25 centimes per kg.

The subsidies for apricot disposal averaged 20 centimes per kg. during the period considered.

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

XI. Wine, grape juice, table grapes

The subsidies for the export of domestic quality wines and subsidies for advertising in Switzerland and abroad to promote wine and grape juice utilization were eliminated in 1981.

- <u>Amount of subsidy</u>	<u>Sw F'000</u>
Non-alcoholic use of grapes	
. Grape juice	119
. Table grapes	103

<u>- Amount per unit</u>	<u>francs per litre</u>
Non-alcoholic use of grapes	
. Grape juice	0.66
. Table grapes	0.45

## XII. Processed agricultural products

No changes have been made to the policy and measures described in earlier notifications.

### - Amount of subsidy

For the year 1981, the amount of the contributions to exports paid for agricultural commodity categories was as follows:

	<u>Sw F'000</u>
. Dairy products	12,710
. Cereal products	1,577
. Preserved eggs	377
. Sugar and molasses	5,689

### - Production, imports, exports and consumption of the principal processed agricultural products

The data for the year 1981 are as follows:

<u>Production</u>	<u>Imports</u>	<u>Exports</u>	<u>Consumption</u>
	('000 tons)		
235	37	67	205

## Part Two: Industry

For the sake of transparency, the Swiss Government notifies below the subsidies granted in the industrial sector during the financial year 1981. In view of their limited financial impact, these subsidies have had very small economic repercussions. The first two are intended to



reduce the economic difficulties which arose as a result of the recession during the second half of the 1970s and are therefore temporary. The Swiss Office for Development of Trade (OSEC) is a permanent institution, but it has recently been reactivated. Lastly, it may be pointed out that the encouragement of Swiss film production is 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

No changes have been made to the policy and measures described in earlier notifications.

<u>- Amount of subsidy</u>	<u>(million francs)</u>
-- Total amount of credits guaranteed	18.3
-- Effective provision to cover losses	0
-- Contribution to loan service	0.19
<u>- Estimated amount per unit</u>	

See introduction.

- Effects of the subsidy

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 1,400 jobs in areas whose economy is threatened.

II. Measures designed to reduce economic difficulties

No changes have been made to the policy and measures described in earlier notifications.

- Amount of subsidy  
Sw F 14.4 million
- Estimated amount per unit  
See introduction.
- Effects of subsidy

The measures are designed mainly to improve general conditions; it is therefore impossible to quantify their effects. In view of the small financial impact of these measures, their effects on trade can only be very slight.

### III. Contribution to the Swiss Office for Development of Trade (OSEC)

No changes have been made to the policy and measures described in earlier notifications.

- Amount of subsidy  
Sw F 7.1 million
- Estimated amount per unit  
See introduction.
- Effects of subsidy

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

### IV. Encouragement of Swiss film production

No changes have been made to the policy and measures described in earlier notifications.

- Amount of subsidy  
Sw F 4.1 million
- 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.

- Effect of the 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 promote or 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: about a dozen films in 1981. On the other hand, imports amounted to 690 films in 1981.

