

GENERAL AGREEMENT ON TARIFFS AND TRADE

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SUBSIDIES

Notifications Pursuant to Article XVI:1

SWITZERLAND

This document updates, for the year 1982, 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, and in the notification for 1981 (document L/5282/Add.2 of 27 October 1982).

Part One: Agriculture

I. Milk and dairy products

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

During the accounting period 1981/1982, expenditure provided for in the dairy account of the Confederation was as follows:

	<u>Sw F'000</u>
<u>Total</u>	<u>651,166</u>
including mainly:	
- valorization of butter	200,401
- valorization of cheese	366,856
- other measures (including valorization of preserved milk products)	22,048
- contributions to producers delivering neither milk nor dairy products	54,392

This expenditure was covered in the following way:

	<u>Sw F'000</u>
<u>Payments by the Confederation</u>	<u>598,315</u>
of which:	
- general funds	353,304
- revenue from charges and price supplements	245,011
<u>Share of losses payable by producers</u>	<u>52,851</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 1982, the export contributions paid per kg. of milk used for the manufacture of these products were as follows:

	<u>until 30.6</u>	<u>as from 1.7</u>
- sterilized milk	43 centimes	45 centimes
- cream	58 centimes	60 centimes
- preserved milk products	52 centimes	54 centimes
- yoghurt	55 centimes (48 centimes until 31.1)	57 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	1,390
- subsidies for culling	30,076
- contributions to transport costs	1,087
. Maintenance of exports	30,777
. Special campaigns	670
. Contributions to expenses of cattle-keepers in mountain areas	120,619
<u>Total</u>	184,620

<u>Amount per unit</u> ¹	<u>Average francs per head</u>
. Promotion of sales within the country:	
- subsidies to relieve market pressure	475
- subsidies for culling	306
. Maintenance of exports	1,882
. 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 1,579,000 for 606 tons of wool
- Amount per unit
Sw F 2,606 per ton

IV. Eggs

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

- Total amount of subsidy
Sw F 9,983,000
- Amount per unit
5.8 centimes per egg taken over

¹No 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 inter alia to limit as far as possible 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 reduction	18,433
.	Placing of lower-quality domestic grains	25,940
.	Milling bonuses and compensatory allowances	4,221
.	Acreage subsidies	16,460
.	Other subsidies	3,674
	<u>Total subsidies</u>	68,728
-	<u>Amount per unit</u>	<u>Sw F per 100 kg.</u>
	Price reduction	5.69
	Placing of lower-quality domestic grains	3.13
	Milling bonus	
-	average	18.00
-	variable according to altitude of the farm	from 16.00 to 38.00
-	<u>Acreage subsidies</u>	<u>Sw F per hectare</u>
	As from 1 July 1982	
.	Steeply sloping land	700
.	Enlarged intermediate zone	200
.	Intermediate zone	500
.	Sub-alpine hill zone	700
.	Mountain zone I	850
.	Mountain zones II to IV	1,050

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	101,134
-	<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 as from 1 July 1982:

	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	1,300	1,100	1,000
Maize	1,050	600	300
Field beans	1,300	1,300	1,300

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

	<u>Sw F/ha</u>
. Sloping land	700
. Enlarged intermediate zone	150
. Intermediate zone	300
. Sub-alpine hill zone	550
. Mountain grade I	700
. Mountain grade II	850

A supplement at the rate of Sw F 700 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 raised to 14,000 hectares.

- Total amount of subsidy
Sw F 28,799,000 for 36,645 tons of colza seed
- Amount per unit
Sw F 786 per ton

VIII. Sugar beet

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

In 1982 the quantity eligible for the price guarantee was fixed at 800,000 tons. Due to good yield per hectare, however, the total quantity delivered to the sugar-refineries was 835,626 tons. In addition, having regard to the relatively low prices paid for beet in excess of the individual quotas, considerable quantities were used for animal feed (about 80,000 tons).

- Total amount of the subsidy
Sw F 11,816,000 (1981 harvest, 1982 accounting period)
Sw F 25,120,000 (1982 harvest, 1983 accounting period, provisional)
- Amount per unit (per kg. of refined sugar)
9.5 centimes (1981 harvest: 123,820 m.t. of white sugar)
22.8 centimes (1982 harvest: 110,031 m.t. of white sugar)

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>1981/82</u>
<u>Promotion of utilization of potatoes</u>	<u>22,810</u>
. Sales of potatoes to the needy at reduced prices	620
. Subsidies for transport	95

. Disposal of potato seedlings	4,364
. Subsidies for utilization of potato surpluses	16,755
. Subsidies to organizations and for research	207
. Information and advertising	768

Promotion of potato cultivation in mountain areas and on sloping land (including half paid out of Federal funds) 4,364

- <u>Amount per unit</u>	<u>Sw F per ton</u> <u>1981/82</u>
. Reduction in price for the needy	80.86
. Utilization of surpluses	63.08
- <u>Subsidies on area</u>	<u>Sw F per hectare</u>
. Mountain regions	1,600
. Sloping land outside mountain regions	1,300

X. Fruit

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

- <u>Total amount of subsidy (accounting period: 1 July-30 June)</u>	<u>Sw F'000</u> <u>1981/82</u>
<u>Promotion of utilization of fruit</u>	<u>14,962</u>
. Information and advertising	1,848
. Sales of pip fruit at reduced prices	569
. Utilization of pip fruit	1,824
. Utilization of concentrated fruit juice	9,800
. Utilization of cherries and plums	49
. Subsidies to organizations and for research	872

	<u>Sw F'000</u>
<u>Conversion of fruit-growing</u>	<u>1,244</u>
<u>Disposal of apricots from canton Valais</u>	<u>388</u>
- <u>Amount per unit</u>	

The subsidies to reduce the price of fruit for the needy and for persons living in mountain regions were on average 36 centimes per kg.

The subsidies for apricot disposal are limited to the quality intended for industrial utilization and averaged 40 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

- <u>Amount of subsidy</u>	<u>Sw F'000</u>
Non-alcoholic use of grapes	
. Grape juice	119
. Table grapes	127
- <u>Amount per unit</u>	<u>Sw F/litre</u>
Non-alcoholic use of grapes	
. Grape juice	0.45
. Table grapes	0.30-0.40

XII. Processed agricultural products

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

- Amount of subsidy

For the year 1982, the amount of the contributions to exports paid for agricultural commodity categories was as follows:

	<u>Sw F'000</u>
. Dairy products	17,823
. Cereal products	3,665
. Preserved eggs	506
. Sugar and molasses	8,038
- <u>Production, imports, exports and consumption of the principal processed agricultural products</u>	

The data for the year 1982 are as follows:

<u>Production</u>	<u>Imports</u> ('000 tons)	<u>Exports</u>	<u>Consumption</u>
232	37	69	200

Part Two: Industry

For the sake of transparency, the Swiss Government notifies below the subsidies granted in the industrial sector during the financial year 1982. 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>Sw F million</u>
- Total amount of credits guaranteed	26.1
- Effective provision to cover losses	0.25
- Contribution to loan service	0.53

- Estimated amount per unit

See introduction.

- Effects of 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 620 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 15.4 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.

- Effect 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 4,275 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 1982. On the other hand, imports amounted to 587 films in 1981.