

GENERAL AGREEMENT ON TARIFFS AND TRADE

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SUBSIDIES

Notifications Pursuant to Article XVI:1

Switzerland

Addendum

The present document updates, for the year 1984, the indications given in the full notification of subsidies covering the period 1981 to 1983, reproduced in document L/5603/Add.12 of 26 July 1984.

Part One: Agriculture

I. Milk and dairy products

Dairy account (period 1 November-31 October)

During the 1983/84 accounting period, expenditure under the dairy account of the Confederation was as follows:

	<u>Sw F '000</u>
Valorization of butter	263,033
Valorization of cheese	436,375
Other measures (including valorization of preserved milk products)	31,775
Contributions to producers who deliver no milk nor dairy products	66,915
 TOTAL expenditure	 <u>818,098</u>

This expenditure was covered as follows:

	<u>Sw F '000</u>
Contributions by the Confederation	757,347
of which:	
- general resources	514,069
- revenue from charges and price supplements	243,278
Share of losses payable by producers	60,751

There have been no changes in the policy and measures concerning butter, cheese and preserved milk products, described in earlier notifications.

II. Breeding and dairy cattle

There have been no changes in 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	1,522
- subsidies for culling	40,839
- Maintenance of exports	18,414
- Contribution to expenses of cattle-keepers in mountain areas	169,329
TOTAL	<u>230,104</u>
<u>Amount per unit</u>	<u>Average Sw F per head</u>
- Promotion of sales within the country:	
- subsidies to relieve market pressure	932
- subsidies for culling	420
- Maintenance of exports	2,030

There have been no changes in the contributions per unit of adult cattle to the expenses of cattle-keepers in mountain areas.

III. Horses

There have been no changes in the policy and measures described in earlier notifications.

- Total amount of subsidy: Sw F 1,755,000.

There has been no change in the amounts per unit.

IV. Wool

There have been no changes in the policy and measures described in earlier notifications.

- Total amount of subsidy

Sw F 1,395,000 for 554 tons of wool.

- Amount per unit

Sw F 2.52 per kg. on average.

V. Eggs

There have been no changes in the policy and measures described in earlier notifications.

- Total amount of subsidy

Sw F 10,367,000

- Amount per unit

5.46 centimes per egg taken over.

VI. Bread grains

The subsidies paid by the Wheat Administration were as follows:

	<u>Sw F '000</u>
- Price reduction	16,737
- Disposal of lower quality domestic grains	14,070
- Reduction of milling price	2,079
- Production subsidies	19,200
- Other subsidies (seeds)	1,342
TOTAL subsidies	<u>53,428</u>

<u>Amount per unit</u>	<u>Sw F per 100 kg.</u>
- Price reduction	4.83
- Disposal of lower quality domestic grains	30.91
- Reduction of milling price, variable according to altitude of the farm	From 10.- to 14.-

In relation to 1983, there has been no change in the amount per unit of acreage subsidies.

VII. Feed grains

There have been no changes in the policy and measures described in earlier notifications.

Total amount of crop bonuses: Sw F 113,460,000

In relation to 1983, there has been no change in the amounts per unit of the basic bonuses.

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

	<u>Sw F/ha.</u>
- Sloping land	800
- Extended intermediate zone ¹	200
- Intermediate zone ¹	350
- Sub-Alpine hill zone ¹	650
- Mountain zone I	800
- Mountain zones II-IV	950

VIII. Colza

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

¹For farming on sloping land in the intermediate zones or the sub-Alpine hill zone, a supplement of Sw F 800 per hectare is paid instead of the supplement indicated.

- Total amount of subsidy

Sw F 24,820,000

- Amount per unit

Sw F 580 per ton

IX. Sugar beet

There have been no changes in the policy and measures described in earlier notifications.

- Total amount of subsidy

Sw F 26,480,000

- Amount per unit (per kg. of refined domestic sugar)

6.2 centimes

X. Potatoes

There have been no changes in the policy and measures described in earlier notifications.

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

Sw F '000
1983/84

Promotion of potato utilization of which: 7,228

- disposal of potato seedlings 1,723

- subsidies for utilization of potato surpluses 2,376

Encouragement of potato cultivation in mountain areas or on sloping ground (including half share paid out of Federal funds)

4,155

- Amount per unit

Sw F per ton
1983/84

- Utilization of surpluses 25.83

- <u>Acreage subsidies in 1984</u>	<u>Sw F per hectare</u>
- Mountain areas	1,700
- Sloping land outside mountain areas	1,300

XI. Fruit

There have been no changes in the policy and measures described in earlier notifications

- <u>Total amount of subsidies</u> (accounting period 1 July to 30 June)	<u>Sw F '000</u> <u>1983/84</u>
Promotion of fruit utilization	22,961
of which:	
- utilization of pip fruit	2,036
- utilization of concentrated fruit juice	14,498
- utilization of cherries and plums	2,655
Transformation of fruit growing	951
Disposal of Valais apricots	468
- <u>Amount per unit</u>	

The subsidies to reduce the price of fruit for the needy and for persons living in mountain areas averaged 36 centimes per kg.

XII. Wines, grape juice, dessert grapes

In order to encourage non-alcoholic use of part of the 1984 grape harvest, contributions were paid for the first time to processors of grape juice and partly fermented grape must as well as to shippers of dessert grapes. The subsidized products were consumed in Switzerland.

There have been no changes in the other measures described in the last notification.

- <u>Amount of subsidy</u>	<u>Sw F '000</u>
Renewal of vineyards	1,970
Grape harvest inspection	1,230
Non-alcoholic use of grapes	26,985
Contribution to storage	32,799

- Amounts per units

There has been no change in the contributions for renewal of vineyards.

The contributions to storage costs and for non-alcoholic use of grapes have varied according to origin and were as follows:

grape juice, between Sw F 2.10 and 3.85 per litre of grape must

partly fermented grape must, up to Sw F 3.10 per litre

dessert grapes, up to Sw F 2.00 per kg.

storage of wine, between Sw F 2.40 and 3.00 per hectolitre and per month.

XIII. Processed agricultural products

There have been no changes in the policy and measures described in earlier notifications.

- Amount of subsidy

For the year 1984, the amount of contributions on exports paid for agricultural commodities were as follows, by category:

	<u>Sw F '000</u>
- Dairy products	19,967
- Cereal products	4,044
- Preserved eggs	442
- Sugar and molasses	6,290

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

The data for 1984 are as follows:

<u>Production</u>	<u>Imports</u>	<u>Exports</u>	<u>Consumption</u>
	(in '000 tons)		
240	41	68	213

Part Two: Industry

For the sake of transparency, the Swiss Government notifies below the subsidies granted in the industrial sector during the financial year 1984. 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. On the other hand, 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

There have been no changes in the policy and measures described in the previous notification.

- <u>Amount of subsidy</u>	<u>Sw F million</u>
- Total amount of credits guaranteed	69.6
- Effective provision to cover losses	0.34
- Contribution to loan service	0.99
- <u>Estimated amount per unit</u>	
See introduction.	
- <u>Effects of the subsidy</u>	

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 1,060 jobs in areas whose economy is threatened.

II. Measures designed to reduce economic difficulties

There have been no changes in the policy and measures described in the previous notification.

- Amount of subsidy
Sw F 8.2 million
- Estimated amount per unit
See introduction.
- Effect of subsidy

The measures are designed mainly to improve general conditions by promoting training and encouraging research; it is 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)

There have been no changes in the policy and measures described in the previous notification.

- Amount of subsidy
Sw F 6.3 million
- Estimated amount per unit
See introduction.
- Effect of subsidy

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

There have been no changes in the policy and measures described in the previous notification.

- Amount of subsidy
Sw F 4.75 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 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 twelve and fifteen films a year in the period under consideration. On the other hand, imports amount to 589 films.