# GENERAL AGREEMENT ON

# TARIFFS AND TRADE

RESTRICTED

L/6297/Add.11 19 December 1988 Limited Distribution

Original: English

## SUBSIDIES

## Notifications Pursuant to Article XVI:1

## SWEDEN

The following notification has been received from the Permanent Mission of Sweden.

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ANNEX I

<u>Note</u>: This submission is made irrespective of whether the support measures covered are notifiable under Article XVI:1 or not.

PART ONE: INDUSTRY

### I GENERAL PROMOTION OF TRADE

1. <u>Nature and extent of the subsidy</u>

(a) Background and authority

The Swedish Government extends annual contributions to the semi-State-owned Swedish Trade Council in order to support the Council's activities in promoting Swedish exports such as market research, trade fairs and information.

The services provided by the Trade Council are restricted to companies which subscribe to it.

The activities of the Council are supported by the trade-promoting efforts of Sweden's overseas trade officies and embassies.

The legal provisions are laid down in many different government statutes.

## (b) Incidence

Consulting services and grants (up to 40 per cent of specified and accepted costs), in some cases with repayment obligations, are given for purposes of market research, trade fairs and information.

(c) Amount of subsidy

Fiscal	year	1984/85	207.7	million	SEK
Fiscal	year	1985/86	224.5	million	SEK
Fiscal	year	1986/87	233.6	million	SEK

#### (d) Estimated amount per unit

The subsidies have general purposes and cannot be broken down to amounts per units.

#### 2. Effect of subsidy

No estimates can be given of the trade effects of the measures indicated above.

#### II <u>EXPORT CREDITS</u>

### 1. Nature and extent of the subsidy

(a) Background and authority

State-supported export credits are available for exports of capital goods and/or services, mainly to developing countries and certain eastern European countries. The scheme is administered by The Swedish Export Credit Corporation, owned to fifty percent by the Swedish government and to fifty percent by eleven of the largest commercial banks. The State-supported interest rates are based on the OECD Arrangement for Officially Supported Credits.

The basic legal provisions are laid down in SFS 1981:665 (changed 1984:688).

## (b) Incidence

Credits by exporters or banks will be refinanced when competition from abroad based on official support is encountered.

(c) Amount of subsidy

The total costs were: (1)

Fiscal year	1984/85	1.255 million SEK
Fiscal year	1985/86	1.386 million SEK
Fiscal year	1986/87	594 million SEK
Fiscal year	1987/88	464 million SEK

(d) Estimated amount per unit

The coverag of the refinancing is regulated by the Arrangement. Refinancing is provided at interest rates prevailing according to the Arrangement plus 0.75 per cent per annum. Additional spreads are added when financing is made in Swedish currency (1.5 per cent per annum). A commitment fee of 0.6 per cent per annum is applied.

2. Effect of subsidy

No estimates can be given of the trade effects.

- III TEMPORARY SUPPORT DIRECTED TO PARTICULAR INDUSTRIAL SECTORS
- 1. Nature and extent of subsidy
- (a) Background and authority

Important industrial sectors in Sweden, such as shipbuilding, iron and steel industry and forestry, were sericusly affected by the generally deteriorating world economic situation and competition from new suppliers in the late 1970s and the beginning of the 1980s. It proved necessary in certain instances, for social as well as for economic reasons, to take temporary measures to control the pace and orientation of the adjustment process. As a result of these measures, important capacity reductions have been achieved in a socially acceptable manner (cf. L/5102/Add.14/Suppl.2).

> The Government has strongly emphazised the need for a positive adjustment in industry and has stated that direct subsidies and support to ailing industries should be avoided to the largest possible extent. Thus such support has been reduced drastically. No new schemes to support crisis-laden firms have been introduced during the last years and a number of previously enacted schemes have been discontinued. Remaining costs are attributable to decisions in previous years.

> The legal provisions for these supports are included in Government Bills 1981/82:56, 1982/83:67, 1982/83:120, 1982/83:147, 1983/84:135, 1986/87:74 and other government statutes.

(b) Incidence

The temporary support measures have included equity capital loans, depreciation loans, and guarantees.

(c) Amount of subsidy

	<u>Million SEK</u>			
Fiscal	Shipbilding	Steel	Forestry	Other
years	industry	industry	industry	industries
1981/82	4.423	918	300	2.119
1982/83	4.387	482	2.498	4.269
1983/84	1.151	929	194	629
1984/85	4.230	489	-88	140
1985/86	3.774	350	163	38
1986/87	516	285	160	19
1987/88	154	698	120	-8

(d) Estimated amount per unit

The support measures cannot be broken down to amounts per unit.

## 2. <u>Effect of subsidy</u>

No estimate can be given of the effects on trade of measures indicated above.

#### IV SUPPORT SCHEMES IN FAVOUR OF CERTAIN BRANCHES

#### 1. <u>Nature and extent of subsidy</u>

(a) Background and authority

Special sector programmes, administered by the National Industrial Board, have been set up to support restructuring of a number of industries affected by structural problems. At present there are such programmes for the textile and clothing industry and the wood-products industry. Previously there have been programmes for the hand-made glass industry and the foundries. The Structural Development Programme is intended to promote development activities in areas where new industrial development opportunities are emerging.

The legal provisions are laid down in various government statutues.

(b) Incidence

Adjustment support is extended by means of loan guarantees, depreciation loans, educational assistance, technical consultants and marketing assistance.

#### (c) Amount of subsidy

Grants under National Industrial Board's support schemes for adjustment assistance, educational assistance and technical consultants amounted to:

## Million SEK

	Textile &	Wood-	Hand-made	Structural
Fiscal	clothing	products	glass	Development
<u>years</u>	industry	industry	industry	Programme (ASP)
1983/84	82.0	12.8	7.3	
1984/85	55.3	11.3	5.0	3.1
1985/86	58.3	14.1	1.7	4.5
1986/87	67.3	15.3	***	6.9
1987/88	73.1	14.3	-	5.4

The loss coverage in connection with government loan guarantees issued for the industrial sector programmes amounted to:

Fiscal	year	1983/84	8.5	million	SEK
Fiscal	year	1984/85	1.2	million	SEK
Fiscal	year	1985/86	3.9	million	SEK
Fiscal	year	1986/87	1.8	million	Sex
Fiscal	year	1987/88	9.1	million	SEK

Companies in the textile and clothing industry can be granted compensation for retaining elderly employed. Support is given as a grant-per-hour for employees between 50 and 65 years old. The grants may not exceed a certain fraction - for the time being 4 per cent - of the total wage costs of the company. This fraction has gradually been reduced. The total compensation under this programme has amounted to:

Fiscal	year	1981/82	257 million SEK
Fiscal	year	1982/83	283 million SEK
Fiscal	year	1983/84	261 million SEK
Fiscal	year	1984/85	221 million SEK
Fiscal	year	1985/86	181 million SEK
Fiscal	year	1986/87	142 million SEK
Fiscal	year	1987/88	114 million SEK

## (d) Estimated amount per unit

The programme involves many companies and cannot be broken down to amounts per unit.

#### 2. Effect of subsidy

No estimates can be given of the trade effects of the measures indicated above.

#### V EMERGENCY PREPAREDNESS

#### 1. <u>Nature and extent of subsidy</u>

#### (a) Background and authority

The National Board of Civil Emergency Preparedness extends loans covering expenses incurred by companies willing and capable to assume the cost of guaranteeing supply of commodities necessary in an emergency situation. Loans are used to compensate for certain specified obligations fulfilled by the companies as a part of the national defence policy. Loans are given after negotiations on an equal basis and have not the nature of a subsidy but of a payment for specified emergency service. Loans are mainly extended to vital companies within the clothing, chemical and metalworking industries. Loan guarantees are sometimes provided for the same purpose.

The legal provisions are laid down in Government Decree SFS 1982:517.

## (b) Incidence

Compensation in the form of loans is normally free of interest for maintaining non-commercial activities such as developing substitutes or emergency stock piling. Depreciation during a period of one to fifteen years provided obligations to the Board are fulfilled.

(c) Amount of subsidy

Loans	1984/85	134	million	SEK
Loans	1985/86	94	million	SEK
Loans	1986/87	87	million	SEK

Existing multiyear limit of 125 million SEK for loan guarantee was in 1984 utilized to about one third.

(d) Estimated amount per unit

The compensation programme involves several companies in different sectors of industry and cannot be broken down to amounts per unit.

2. Effect of subsidy

No estimates can be given of the trade effects of the measures indicated above.

#### VI SUPPORT FOR TECHNICAL RESEARCH AND DEVELOPMENT

## 1. Nature and extent of the subsidy

(a) Background and authority

The Swedish Government extends annual grants to the National Board of Technical Development in order to support technical research and development.

The legal provisions are laid down in various government statutes.

## (b) Incidence

The purpose of the grant is to raise the level of technical knowledge, stimulate the creativity and to promote development work from an idea into a working system or a product prototype. The beneficiaries are universities, institutes, co-operative research institutes, enterprises and private inventors.

The support is in the form of grants, grants with conditional repayment obligations, loans, awards of fellowships, advisory and service activities.

(c) Amount of subsidy

Fiscal	year	1981/82	558	million	SEK
Fiscal	year	1982/83	661	million	SEK
Fiscal	year	1983/84	753	million	SEK
Fiscal	year	1984/85	782	million	SEK
Fiscal	year	1985/86	790	million	SEK
Fiscal	year	1986/87	821	million	SEK
Fiscal	year	1987/88	919	million	SEK

(d) Estimated amount per unit

The supports involve a great variety of activities and recipients and can not be broken down to amounts per unit.

## 2. Effect of subsidy

No estimates can be given of the trade effects of the measures indicated above.

## VII SUPPORT OF INDUSTRIAL DEVELOPMENT

#### 1. <u>Nature and extent of the subsidy</u>

(a) Background and authority

The Government extends since 1979 annual grants to the Swedish Industrial Fund in order to promote large industrial development projects where technical and commercial risks are high.

Legal provisions are laid down in SFS 1983:174.

(b) Incidence

The Fund administers loans with conditional repayment obligations (maximum 50 per cent of investment cost) or grants directed to industrial enterprises. Loans must always be repaid if a project becomes commercially viable. Grants are to be repaid in the form of royalties.

(c) Amount of subsidy

Fiscal	year	1981/82	27	million	SEK
Fiscal	year	1982/83	49	million	SEK
Fiscal	year	1983/84	73	million	Sek
Fiscal	year	1984/85	59	million	SEK
Fiscal	year	1985/86	-9	million	SEK
Fiscal	year	1986/87	84	million	SEK
Fiscal	year	1987/88	57	million	SEK

(d) Estimated amount per unit

The programme involves a large number of companies and projects in various sectors of industry and cannot be broken down to amounts per unit.

## 2. Effect of subsidy

No estimates can be given of the trade effects of the measures indicated above.

PART TWO AGRICULTURE

#### 1 INTRODUCTION

The primary goal for Sweden's agricultural policy, as decided by Parliament in May 1985, is to secure food supplies under normal as well as emergency conditions. Under this main objective there are two general objectives of equal importance. One is the consumers objective, which implies that consumers should have access to foodstuffs of good quality at reasonable prices. The second, the income objective, means that farmers should be assured a standard of living equal to that of comparable occupational groups. Similar objectives, i.e. an "income" objective and a "consumers" objective, apply for the fisheries sector.

These goals are implemented by means of various policy measures among which price and market regulation activities play an important role. Prices of agricultural products subject to regulation are supported mainly by means of border protective measures (mainly import levies) and by means of market regulating measures, such as storage and exports. Export refunds may be applied in surplus situations when world market prices are below domestic prices. These refunds are financed mainly by means deriving from internal production fees but also to some extent from import levies.

In the fisheries sector a low price line is applied. This means that the price formation on the market is free and that the border protection for fish products is very low.

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Page 15 Support in the form of variable import levies or export subsidies is not applied. The market regulation for fish is based on target prices (norm prices). Fishermen receive price additions if target prices are not achieved.

The National Agricultural Market Board is the central administrative authority for matters concerning price and market regulations in the agricultural and fisheries sectors. Most market regulation operations are carried out by seven market regulation associations, working under directives of the Board.

The price regulations for agricultural and fish products are based on the Law regarding Price Regulation of Agricultural Goods (SFS 1967:340) and the Law regarding Price Regulation of Fish and Fish Products (SFS 1974:226). Horticultural products as well as i.a. coffee, tea, cocoa and spices are not subject to any similar legislation or market regulation.

This notification covers direct subsidies and payments relevant to agricultural price and market regulation. The notification does not reflect the support given by consumers in the form of protected domestic farm prices higher than world market prices. A more complete attempt to reflect the agricultural support has been made by the OECD. A Country Report on Sweden was distributed 20 May 1988.

This notification covers the years 1985/86-1986/87. The figures are presented irrespective of whether or not they should be regarded as subsidies notifiable under Article XVI.

- 2. GRAINS ETC
- 2.1 Nature and extent of subsidy
- 2.1.1 Background and authority

The following products are subject to price and market regulation: wheat, rye, barley, oats, mixed grain and flour as well as field beans and peas. Market regulation activities are carried out by the Market Regulation Association for Grains (Swedish Grain Trade Association).

#### 2.1.2 Incidence

#### <u>Grains</u>

If world market prices are lower than domestic prices the difference is levelled out when the product is exported. This equalization is carried out by the Association. The Association purchases all surplus grain offered to it at a predetermined price. An alternative to exports for bread grain surpluses is disposal on the domestic market for feeding purposes at a reduced price. The operations of the Association are financed by milling fees, fertilizer fees and, to a minor extent, import levies. In the years covered by this notification budgetary means have also been used in line with the new agricultural policy guidelines laid down in 1984 according to which the State takes responsibility for part of the costs due to surpluses in the grains sector during a 5-year transition period. In 1986/87 250 million SEK of budgetary means were also paid in line with commitments in connection with the 1977 decision on agricultural policies.

#### Peas and field beans etc.

A support is paid to farmers for certified seed and to the feed industry for its use of field beans and peas.

2.1.3 Amount of subsidy (total and per unit)

#### <u>Grains</u>

Costs of the Association for rebates and storing and costs due to the difference between domestic and world market prices for exported quantities (including raw material price compensation for certain processed products, mainly bread) in 1985/86 and 1986/87 amounted to:

	Export re SEK per 1	00 kg	SEK mil	lion	Rebates storing SEK mill	
	1985/86	1986/87	1985/86	1986/87	1985/86	1986/87
Wheat	82	113	477.4	883.3	10.7	23.2
Rye	• •			1.0	6.0	13.5
Barley	82	92	334.2	326.1	0.2	9.8
Oats	81	74	377.2	232.4	0.1	5.8
Products	••		23.7	55.5	-	-
Total	••	••	1212.5	1498.3	17.0	52.3
Of which	budgetary	means	338.0	710.0 <sup>1</sup>	-	· _

<sup>1</sup> 460 million SEK due to the 1984 Agricultural Policy Decision according to which the Swedish State takes responsibility for part of the surplus costs during a 5-year transition period, 250 million SEK due to commitments in the 1977 Agricultural Policy Decision.

#### Peas and field beans etc.

Support for peas and field beans was given as a discount on certified seed and a discount to the feed industry. Total

> costs for these activities in 1985/86 were SEK 8.4 million (seed) and SEK 5.5 million (feed industry). In 1986/87 SEK 7.2 million (seed) and SEK 4.7 million (feed industry) were paid respectively.

- 2.2 Effect of subsidy
- 2.2.1 Trade effects

Comprehensive analytical work concerning the trade effects of various support measures has been made by the OECD in the study on producer subsidy equivalents (PSE:s).

2.2.2 Statistics

See Annex I.

3 MILK AND DAIRY PRODUCTS

3.1 Nature and extent of subsidy

3.1.1 Background and authority

Milk, butter, cheese and skimmed milk powder are subject to market regulation. Market regulation activities are carried out by the Market Regulation Association for Dairy Froducts.

## 3.1.2 Incidence

Price and market regulating activities comprise export aid, consumer subsidies and regional production support. During recent years various measures have been taken in order to cut surpluses (stimulate consumption, reduce production). These measures include i.a. a two-price system for milk, an investment ban for animal production, discounts to public institutions, non-production grants to elderly dairy farmers, slaughter premiums for female heifers etc.

The main sources for financing the dairy products regulation are equalization fees, budgetary means and means deriving from import levies. Budgetary means (consumer subsidies) are used to finance price additions paid to producers in exchange for a lower price to consumers as well as for regional support. The other means available are used to compensate for differences in profitability between various dairy products (fresh milk, cream, cheese and butter), support to storage, export refunds and measures to promote consumption. 3.1.3 Amount of subsidy (total and per unit)

Consumer subsid	dies in 1985/0	86 and 1986	5/87 were as	follows:
Product	1985/86 SEK/litre, SEK/kg	SEK million	1986/87 SEK/litre, SEK/kg	SEK million
Liquid milk: 0.5-3.0% fat content 0.05% fat	1.70	2,375.3	1.70	2,302.4
content Total	1.81	0.1 2,375.4	1.81	0.1 2,302.5

In addition budgetary means were used to an amount of SEK 33 million annually in order to reduce the wholesale price of milk.

Regional support was given as a price addition per litre of milk, varying between different dairies depending on geographical location and differences in costs. The amounts of regional support were:

 1985/86
 SEK 336.7 million

 1986/87
 SEK 444.0 million

Public institutions were granted discounts on prices of butter and cheese. In 1985/86 total costs for these measures amounted to SEK 8.39 million (SEK 3.35 per kilogramme of butter and on average SEK 2.00 per kilogramme of cheese). The costs in 1986/87 were SEK 8.63 million (SEK 3.35 per kilogramme of butter and on average SEK 2.00 per kilogramme of cheese).

For storing of butter SEK 50.92 million and SEK 49.2 million were paid in 1985/86 and 1986/87 respectively.

Export refunds were paid as follows: 1985/86 1986/87 SEK/kg SEK SEK/kg SEK million million Butter11.73134.7Cheese7.6720.7 129.9 13.66 9.04 30.4 Milk powder 7.60 181.5 10.36 305.7 .. 5.7 .. 342.6 ••• 9.8 Other .. 475.8 Total

3.2 Effects of subsidy

3.2.1 Trade effects

See comments under 2.2.1

3.2.2 Statistics

See Annex I.

4 MEAT

4.1 Nature and extent of subsidy

4.1.1 Background and authority

Products subject to general or regional support under this heading are beef, pork, mutton and lamb and horsemeat. Regional support is also granted for reindeer production.

A number of policy measures i.a. an investment ban in animal production, slaughter premiums, slaughter fees, price rebates etc. have been taken to curb production and to expand consumption. As concerns beef measures taken to decrease dairy surpluses such as the two-price system and slaughter premiums for female heifers (see 3.1.2) have also had effects on beef production. The regulatory measures are carried out by the Market Regulation Association for Meat.

#### 4.1.2 Incidence

If world market prices for meat are lower than domestic prices the Association grants export refunds, directly paid to the exporters. The Association also finances storing, rebate campaigns and discounts on meat for public institutions. These activities are mainly financed by slaughter fees paid by producers. Means from import levies are used to a limited extent.

Regional support in the form of price additions are granted to slaughter houses in Northern Sweden and paid to the producers. Such regional support is mostly financed through budgetary means. 4.1.3 Amount of subsidy (total and per unit)

Costs within the market regulation amounted to:

SEK million 1985/86	1986/87
163.0	91.9
3.9	-
38.1	37.5
69.0	91.0
8.0	11.0
5.0	6.0
15.0	15.0
120.0	68.3
	1985/86 163.0 3.9 38.1 69.0 8.0 5.0 15.0

<sup>1</sup> In 1985/86 four campaigns were carried out. Total quantity sold at reduced prices was 21.2 million kilogrammes of beef and veal, pigmeat and frozen minced meat at an average discount of SEK 5.66/kg. In 1986/87 six different rebate activities were carried out. Total quantity sold was 11.4 million kilogrammes of beef, pigmeat, ham and minced meat at an average discount of SEK 5.99/kg.

Export refunds have been paid as follows:

	1985/86		1986/87	
	SEK/kg	SEK million	SEK/kg	SEK million
Beef	16.69	523.6	16.59	199.0
Veal		20.7	••	15.0
Pigmeat	12.54	831.3	14.12	607.6
Pigmeat Other		157.6	••	161.4
Total	1	,533.2	••	983.0

<sup>1</sup> Export refunds to edible offals, processed meat, edible slaughter fat and sales to ships in international routes. 4.2 Effects of subsidy
4.2.1 Trade effects
See comments under 2.2.1
4.2.2 Statistics

See Annex I.

5 EGGS AND POULTRY

5.1 Nature and extent of subsidy

5.1.1 Background and authority

Market regualtion activities are carried out by the Market Regulation Association for Eggs. Products covered by the regulation are eggs in shell and egg products. Market activities regarding poultrymeat are carried out directly by the National Agricultural Market Board.

5.1.2 Incidence

5.1.2.1 Eggs and egg products

Export refunds are paid directly to exporters for eggs exported at prices below the domestic market prices. The Association itself takes care of surplus eggs which are stored and dried and later exported. For costs regarding packaging of eggs the Association also grants support. The export refunds are financed by production fees. Costs due to packaging, storing and drying of eggs are covered by import levies and production fees.

5.1.2.2 Poultry meat

The National Agricultural Market Board stipulates limits for both total export costs and for quantities exported. Export costs are covered by slaughter fees.

5.1.3 Amount of subsidy (total and per unit)

Aid to packaging (eggs) and exports amounted to:

	1985/86		1986/87	
	SEK/kg	SEK million	SEK/kg	SEK million
Packaging	0.42	28.7	0.41	28.4
Export refunds:				
Eggs in shell	6.14	18.9	6.60	27.1
Egg products	4.90	6.8	5.14	14.1
Surplus eggs <sup>2</sup>	6.60	28.9	7.09	35.6
Poultry meat	8.65	10.0	9.50	4.8
Total	••	93.3	• •	110.0

<sup>1</sup> Whole egg equivalent. <sup>2</sup> For storing and drying and later exports.

5.2 Effects of subsidy

5.2.1 Trade effects

See comments under 2.2.1

5.2.2 Statistics

See Annex I.

## SYMBOLS - MF. No. 121

SCM/W/168 TBT/N/29 TBT/Notif.88.275, 276 L/5263/Add.34 L/5351/Add.37 TBT/Notif.88.277 - 280 L/6448 TBT/Notif.88.281 DPC/STAT/19/Add.10 TBT/Notif.88.282, 283

#### 6 POTATOES

6.1 Nature and extent of subsidy

6.1.1 Background and authority

Potatoes are grown partly for direct consumption (table potatoes) and partly for processing purposes (distilleries and starch industry). Market regulation activities are carried out separately for the respective purposes by the Market Regulation Association for Potatoes.

## 6.1.2 Incidence

Regulating activities regarding table potatoes aim at a balance between output and demand. This is achieved by means of intervention buying, support to storing and exports. Potatoes for processing are sold to the starch industry at a discount. All activities mentioned are financed by import levies, acreage and delivery fees.

#### 6.1.3 Amount of subsidy

Total costs for market regulation activities amounted to (SEK million):

	1985/86 Export refunds	Intervention buying, storing and other
Table potatoes Potatoes for processing	1.0	18.1 45.6
	1986/87 Export refunds	Intervention buying, storing and other
Table potatoes Potatoes for processing	0.2	16.2 56.3

6.2 Effect of subsidy
6.2.1 Trade effects
See comments under 2.2.1
6.2.2 Statistics
See Annex I

7 SUGAR

7.1 Nature and extent of subsidy

7.1.1 Background and authority

According to Parliamentary Decisions Swedish sugar production is to be maintained at a level below domestic consumption.

The support to sugar producers in general is mainly given in the form of price support. In order to maintain sugar production in areas where alternative employment opportunities are scarce, certain support measures are taken in addition.

## 7.1.2 Incidence

Means deriving from import levies are used for the following regional support measures: Sugar beet producers are offered extra payment when delivering beets to factories in the islands of Gotland and Öland. Sugar factories in the same areas are granted extra support due to additional production and transportation costs. There is also a contribution due to higher transportation costs for sugar to the northern parts of Sweden.

## 7.1.3 Amount of subsidy

Total payment related to measures mentioned above amounted to about SEK 9 million both in 1985/86 and 1986/87. Of this about SEK 3.5 million was granted to beet producers (between SEK 200 and SEK 500 per hectare), SEK 4.3 million to factories and SEK 1.2 million for transportation costs.

7.2 Effects of subsidy
7.2.1 Trade effects
No estimates on effects of subsidy available.
7.2.2 Statistics
See Annex I.

8 OILSEEDS, CLOVER AND GRASS SEED

8.1 Nature and extent of subsidy

8.1.1 Background and authority

Market regulation activities are carried out by the Market Regulation Association for Oilseeds. The regulation covers oilseeds, oil and meal from oilseeds and clover and grass seed.

#### 8.1.2 Incidence

## <u>Oilseeds</u>

If world market prices are lower than domestic prices the difference is levelled out when the product is exported. This equalization is carried out by the Association. The Association purchases all domestic oilseed (i.e. all contracted oilseed which corresponds to almost a hundred percent of the total oilseed area) at a predetermined price. The operations of the Association are financed by means deriving from a fee imposed on domestically produced as well as imported fats and oils.

#### <u>Clover and grass seed</u>

Support to production of seed of clover and grass is administered by the Association. This support is directed to contracted growers in relation to area and production (price support) and to wholesalers in relation to exports and stocks. The support is financed by means deriving from import levies on agricultural products and fees on fertilizers.

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8.1.3 Amount of subsidy (total and per unit)

Oilseeds and oil

The costs for exporting oilseeds and vegetable oils amounted to:

SEK	1	mż	. 1	1	i	Q	ກ

1985/86	328.0
1986/87	417.0

## <u>Clover and grass seed</u>

Support to around 20 varieties of clover and grass seed amounted to SEK 8.9 million in 1985/86 and SEK 5.6 million in 1986/87.

	1985/86	1986/87
Acreage support	4.7	1.8
Price support	4.2	3.6
Export support	-	0.2

Acreage support varied between 500 and 2,000 SEK/kg in 1985 and between 300 and 1,200 SEK/kg in 1986. Price support amounted to between 1 and 3.75 SEK/kg in 1985 and between 0.50 and 4 SEK/kg in 1986.

8.2 Effects of subsidy

8.2.1 Trade effects

See comments under 2.2.1

8.2.2 Statistics

See Annex I.

9 FISH

9.1 Nature and extent of subsidy

9.1.1 Background and authority

Market regulation activities are carried out by the Market Regulation Association for Fish.

## 9.1.2 Incidence

Target prices or norm prices are set yearly for the most important species of salt water fish. If target prices are not achieved the Association grants price additions which are calculated monthly on the basis of average market prices reached during the same month.

A minimum price is also fixed by the Association. Fish not sold above minimum price is bought by the Association at a surplus price. Both the price additions and the costs for surplus handling are financed by a price regulation fee.

Under certain conditions a freight support is given fishermen facing extreme transport costs. Budgetary means are made available for this purpose.

9.1.3 Amount of subsidy

	SEK million 1985/86	1986/87
Price additions	52.2	39.0
Costs (net) for surplus	6.3	6.5
Freight support	0.8	1.0

9.2 Effects of subsidy

9.2.1 Trade effects

No estimates on effects of subsidy available.

9.2.2 Statistics

See Annex I.

# ANNEX I

	Production	Consumption <sup>1</sup>	Production of consump- tion, %	Imports	Exports
Wheat <sup>2</sup>					
1984/85 1985/86 1986/87	1,776 1,338 1,730	856 860 963	207 156 180	51 42 51	846 614 820
Rye <sup>2</sup>					
1984/85 1985/86 1986/87	247 158 156	167 198 189	148 80 83	0 43 28	53 10 15
Barley <sup>2</sup>					
1984/85 1985/86 1986/87	2,733 2,309 2,327	2,206 2,051 2,018	124 113 115	5 8 14	385 414 361
<u>Oats</u> <sup>2</sup>					
1984/85 1985/86 1986/87	1,904 1,668 1,486	1,302 1,226 1,203	146 136 124	0 0 0	543 477 322
Butter					
1985 1986 1987	75 67 66	59 57 56	127 118 118	0 0 0	14 8 10
Cheese					
1985 1986 1987	115 113 114	123 126 128	93 90 89	15 14 16	5 4 4
Milkpowder <sup>3</sup>					
1984/85 1985/86 1986/87	67 54 58	36 31 34	186 174 170	1 1 1	38 23 19
Beef and Veal					
1985 1986 1987	158 147 135	138 134 145	114 110 93	7 7 16	34 23 7

Production, Consumption	, Imports and Export	s during 1984	(1984/85) - 1986
(1986/87), '000 metric	tons	-	

	Page 37				
	Production	Consumption <sup>1</sup>	Production of consump- tion, %	Imports	Exports
Pork					
1985 1986 1987	332 309 288	262 260 256	127 119 112	6 7 13	75 51 37
Eggs					
1985 1986 1987	123 123 123	117 116 120	105 106 102	0 0 0	4 3 4
Poultry					
1985 1986 1987	46 45 43	44 44 38	104 102 113	0 0 0	1 1 2
Potatoes <sup>4</sup>					
1984/85 1985/86 1986/87	1,307 1,247 1,269	1,304 965 971	100 129 131	7 25 13	10 1 11
Sugar <sup>5</sup>					
1985 1986 1987	350 391 274	390 387 375	90 101 73	14 58 79	4 36 33
<u>Oilseeds<sup>6</sup></u>					
1984/85 1985/86 1986/87	327 317 322	••	••• ••	0 0 0	91 87 56
$\underline{\text{Oil}^7}$					
1984/85 1985/86 1986/87	87 86 99	37 38 35	235 226 282	0 0 0	50 48 64
Fish					
1985 1986 1987	226 <sup>8</sup> 2018 197 <sup>8</sup>	•••	•••	35 41 40	68 49 46

Residual (including changes in stocks)
 Grains (imports and exports incl. products, converted into grains)

3 Whole and skimmed milkpowder

4 Incl. potatoes for processing

5 Raw sugar equivalent

6 Rapeseed and other oilseeds

Domestic oils 7

8 Intal landings

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