



13 July 2015

Original: English

(15-3594) Page: 1/17

Committee on Subsidies and Countervailing Measures

SUBSIDIES

NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF THE GATT 1994 AND ARTICLE 25 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES

SWITZERLAND

The following communication, dated 30 June 2015, is being circulated at the request of the Delegation of Switzerland.

TABLE OF CONTENTS

I.	REGIONAL POLICY	3
1.	MEASURES IN APPLICATION OF REGIONAL POLICY	3
2.	ASSISTANCE FOR MOUNTAIN AND RURAL AREAS	5
11.	ENVIRONMENTAL POLICY	6
1.	CO2-TAX REFUND TO SPECIFIC INDUSTRY SECTORS	6
Ш.	FORESTRY	7
1.	INDEMNITIES AND FINANCIAL ASSISTANCE	7
IV.	AGRICULTURE	8
1.	HORSES	8
2.	WOOL	9
3.	EGGS	.10
4.	PROTEIN AND FIBRE PLANTS	.11
5.	OIL-SEEDS	.12
6.	SUGAR BEET	.13
7.	SEEDS	
8.	FRUIT	15
9.	PROCESSED AGRICULTURAL PRODUCTS	16

I. REGIONAL POLICY

1. MEASURES IN APPLICATION OF REGIONAL POLICY

1. <u>Title of the programme</u>

Guarantees for investment credits granted under the former law (Federal Law of 6 October 1995, Official Collection of Federal Law 2006 4301).

Tax relief in application of the Regional Policy (since 1 January 2008).

2. Period covered

2013-2014.

3. General goal and/or purpose of the subsidy

Support of projects of private enterprises aimed at helping reduce disparities in structurally weak, mostly rural regions.

4. <u>Background and authority</u>

Guarantees for investment credits

Legal basis:

- Federal Law of 6 October 1995 (former law, Official Collection of Federal Law 2006 4301)
- Art. 12 of Federal law on regional policy of 6 October 2006 (state as of 1 January 2008)

Authority:

- State Secretariat for Economic Affairs SECO / Federal Department of Economic Affairs, Education and Research EAER

Tax relief

Legal basis:

- Art. 12 of the Federal law on regional policy of 6 October 2006 (state as of 1 January 2008).
- Ordinance of 28 November 2007 on the granting of tax relief in application of regional policy (state as of 1 January 2008).
- Ordinance of 28 November 2007 on the determination of the areas of application of tax relief (state as of 1 January 2008).

Authority:

State Secretariat for Economic Affairs SECO / Federal Department of Economic Affairs, Education and Research EAER.

5. Form of the subsidy

Guarantees for investment credits granted under the former Law (Federal Law of 6 October 1995, Official Collection of Federal Law 2006 4301) for maximal duration of eight years. They will foreseeably expire about 2015-2016.

Partial or full tax reliefs granted in application of the federal law on regional policy of 6 October 2006 for a maximum duration of ten years.

Both guarantees for investment credits (under the former law) and tax reliefs (under the law of regional policy) are granted to manufacturing companies and to services companies with activities closely linked to the manufacturing process. The project has to be innovative (the product and the manufacturing process have to be technologically up-to-date), create or maintain jobs and be situated in a structurally weak area.

Areas considered as economically less developed are those where:

- a. A particular need for structural adaptation exists in consequence of an evolution of the population lower than that of the whole country, a level of incomes definitely lower than the national average and a proportion of industrial activities higher than the average;
- b. The average unemployment exceeds the national average;
- c. The trend in the number of jobs has been markedly less favourable than the national average; or
- d. There are clear indications that at least one of the situations mentioned above will occur shortly, in particular that the prospects for the most important sectors of the economy and for the largest firms are unfavourable.
- 7. <u>Unit amount of the subsidy or, where this is not possible, total amount or budgeted annual amount of the subsidy</u>

Guarantees for investment credits

In 2013 and 2014, the Confederation did not suffer any losses on guaranteed loans granted under the former law (Federal Law of 6 October 1995). The federal commitments as a whole amounted to CHF 10.4 million at year end 2013 and CHF 5.4 million at year end 2014.

Tax relief

The overall volume of foregone tax amounts to approximately CHF 14.8 million per year (average 2008 - 2011). The figures for 2012 to 2014 are not yet available.

8. Duration of the subsidy and/or any other deadline connected with the subsidy

Guarantees for investment credits

The Federal Law of 6 October 1995 (Official Collection of Federal law 2006 4301) was abrogated on 31 December 2007. Thus the maximum duration of the guarantee is eight years, that is, the last guarantees will expire about 2015-2016.

Tax relief

The Federal law on regional policy of 6 October 2006 remains in force indefinitely.

The tax reliefs are granted for a maximum duration of ten years.

9. Statistical data enabling the effects of the subsidy on trade to be assessed

Guarantees for investment credits

The effect of the assistance programme on trade is negligible, if not non-existent.

Tax relief

In the period 2008 to 2014, 107 projects were granted full or partial tax relief, i.e. 15 projects per year on average.

2. ASSISTANCE FOR MOUNTAIN AND RURAL AREAS

1. <u>Title of the programme</u>

Surety and contributions to interest-servicing in mountain and rural areas.

2. Period covered

2013 and 2014.

3. General goal and/or purpose of the subsidy

The programme is aimed at providing long and medium term capital loans to small and mediumsized establishments situated in mountain and rural areas.

4. Background and authority

This financial assistance is based on the Federal Law encouraging credit guarantees and on loan service contributions in mountain and rural areas (SR 901.2) of 25 June 1976. These areas are defined in the Federal ordinance of 28 November 2007 concerning regional policy (SR 901.021).

5. Form of the subsidy

The Confederation encourages the grant of sureties by giving subsidies to the Swiss Guarantee Cooperative for the Arts and Crafts and by making interest-servicing contributions. The subsidy does not relate to a specific product or sector.

6. How the subsidy is granted and to whom

The programme applies to sureties and interest-servicing contributions for small- and medium-sized enterprises which are profitable or likely to develop, whether existing or to be created. Payments are made only to establishments which are not already supported by the Confederation in some other way.

7. <u>Unit amount of the subsidy or, where this is not possible, total amount or budgeted annual amount of the subsidy</u>

The Confederation's total share of the losses on guaranteed loans was CHF 0.4 million in 2013 and CHF 0.1 million in 2014, with federal commitments as a whole amounting to CHF 5.3 million at year end 2013 and CHF 4.1 million at year end 2014.

The contributions to interest servicing paid out totalled CHF 0.1 million in 2013 and CHF 0.1 million in 2014.

8. <u>Duration of the subsidy and/or any other deadline connected with the subsidy</u>

The assistance programme for mountain and rural areas remains in force indefinitely.

9. Statistical data enabling the effects of the subsidy on trade to be assessed

The effect of the subsidy on trade is insignificant, if not non-existent.

II. ENVIRONMENTAL POLICY

1. CO2-TAX REFUND TO SPECIFIC INDUSTRY SECTORS

1. <u>Title of the programme</u>

Refund of the CO2 levy (Art. 31 of Federal Act on the Reduction of CO2 Emissions (CO2 Act) of 23 December 2011.

2. Period covered

2013-2014.

General goal and/or purpose of the subsidy

The refund of the CO2 levy aims to avoid an undesirable worsening of the companies' competitiveness.

4. Background and authority

Background

CO2 levy on heating and process fuels was introduced as of January 2008 at an initial rate of CHF 12 per tonne of CO2. It was increased to CHF 36 per tonne CO2 on 1 January 2010 and to CHF 60 per tonne of CO2 on 1 January 2014. Further increases are possible in 2016 and 2018, depending on CO2 emissions reduction targets triggering the increase. The CO2 Act sets the maximum levy at CHF 120 per tonne of CO2.

The CO2 Act provides for the exemptions from the CO2 levy of energy intensive industries either participating in the Emissions Trading Scheme (ETS) or committing to emission reductions (nonETS).

- ETS: Introduced in 2008, enlarged and aligned with the EU-ETS for the period 2013-2020. Large, greenhouse gas-intensive companies are required to participate in ETS, while medium-sized companies may voluntarily participate. The companies that are included in the ETS are exempted from the CO2 levy. CO2 levy exemptions of mandatory ETS companies are not included in levy refunds listed below.
- nonETS: Companies of certain sectors which are particularly affected by the CO2 levy, may apply for exemption from the CO2 levy, provided the company commits to emission reductions. The relevant sectors of the economy are referred to in Annex 7 of the CO2 Ordinance. For further information see:

http://www.bafu.admin.ch/klima/13877/14510/14750/index.html?lang=en

Legal basis

- Federal Act on the Reduction of CO2 Emissions (CO2 Act) of 23 December 2011 (state as of 1st January 2013). https://www.admin.ch/opc/en/classified-compilation/20091310/index.html
- Ordinance for the Reduction of CO2 Emissions CO2 Ordinance) of 30 November 2012 (state as of 1st May 2015). https://www.admin.ch/opc/en/classified-compilation/20120090/index.html

Authority

- Federal Office for the Environment FOEN / Federal Department of the Environment, Transport, Energy and Communications DETEC
- Swiss Custom Administration SCA / Federal Department of Finance FDF

5. Form of the subsidy

Refund of CO2 levy.

The refund of the CO2 levy is granted only to companies covering an activity referred to in Annex 7 of the CO2 Ordinance. Eligible companies have to commit to reducing greenhouse gas emissions on the basis of a fixed emissions reduction target. If a company fails to fulfil its target, a sanction of CHF 125 for each excess tonne CO2eq emitted is to be paid in addition to the CO2 levy and an emission reduction certificate for each excess tonne has to be surrendered

7. <u>Unit amount of the subsidy or, where this is not possible, total amount or budgeted annual amount of the subsidy</u>

CO2 levy refunded by Swiss Customs Administration to exempted companies (without mandatory EHS) was CHF 43 million in 2013 and CHF 47.4 in 2014.

8. <u>Duration of the subsidy and/or any other deadline connected with the subsidy</u>

The duration of the CO2 levy and of the refunds has not been specified. The domestic greenhouse gas emissions reduction targets of the CO2 act have to be renewed by 2020.

9. Statistical data enabling the effects of the subsidy on trade to be assessed

Statistical data indicating trade effects are not available.

III. FORESTRY

1. INDEMNITIES AND FINANCIAL ASSISTANCE

1. <u>Title of the programme</u>

New system of fiscal equalization and division of tasks.

2. Period covered

2013-2014.

3. General goal and/or purpose of the subsidy

Compensation to forest owners for services rendered to the public.

4. Background and authority

Federal Law on Forests (1991) [SR 921].

Federal Ordinance on Forests [SR 921.01].

5. Form of the subsidy

Since 2008 the New system of fiscal equalization and division of tasks (NFE) is in force. This system also concerns the assistance in the field of forestry. Assistance is allocated in the form of indemnities and financial assistance.

6. How the subsidy is granted and to whom

The subsidy is granted in form of four year long programs and flat rate budget (2008-2011; 2012-2015) that are granted by the Confederation after cantonal proposals have been submitted. According the subsidy to the defined products and services within the programs goes fully to the cantons for the implementation.

7. <u>Unit amount of the subsidy or, where this is not possible, total amount or budgeted annual amount of the subsidy</u>

In 2013, the Confederation was engaged in programs amounting to CHF 125 million; in 2014, it was CHF 132 million.

8. <u>Duration of the subsidy and/or any other deadline connected with the subsidy</u>

Starting 2008, four year long programs (2008-2011; 2012-2015) were introduced.

9. Statistical data enabling the effects of the subsidy on trade to be assessed

The effect of the assistance programme on trade is negligible, if not non-existent (payments for environmental services like the maintenance of protection forests [e.g. mature trees cutting in protected forests to allow regeneration while young trees will be left in the forest where timber transport is difficult due to rugged conditions] or conservation of biodiversity).

IV. AGRICULTURE

1. HORSES

1. <u>Title of the subsidy programme</u>

Export subsidies for live horses.

2. <u>Period covered</u>

2013-2014.

3. General goal and/or purpose of the subsidy

The Canton of Jura takes measures to maintain domestic horse breeding for the needs of agriculture. These measures apply only to horses of the breed "Franches-Montagnes" and "Demi-sang" in the Canton of Jura.

- 4. <u>Background and authority</u>
- (a) Arrêté du 13 mars 2013 octroyant un crédit au service de l'économie rurale pour le versement de subventions pour l'exportation de chevaux.
- (b) Arrêté du 26 mars 2014 octroyant un crédit au service de l'économie rurale pour le versement de subventions pour l'exportation de chevaux.

5. Form of the subsidy

A Cantonal financial export subsidy is paid to horse-breeders for exports of horses of the breeds encouraged by the Canton of Jura.

6. How the subsidy is granted and to whom

The subsidy is granted to breeders upon export.

7. Amount of the subsidy

Total export subsidies in 2013 amounted to CHF 80,000 and CHF 78,000 in 2014.

8. <u>Duration of the subsidy</u>

The Cantonal subsidy has been in force since 20 April 2010.

9. Statistical data enabling the effects of the subsidy on trade to be assessed

Number of Horses and Trade¹ (Head)

Year	Number of horses	Imports	Exports
2013	60,000	3,870	1,228
2014	60,000	3,939	1,333

Most exports are not subsidized (subsidies covered about 80 heads in 2013 and 78 in 2014).

2. WOOL

1. <u>Title of the subsidy programme</u>

Purchase of domestic wool and wool projects.

2. Period covered

2013²

3. General goal and/or purpose of the subsidy

There are at present some 450,000 heads of sheep, the majority of which are in mountain areas. The subsidy enables the Swiss wool industry to purchase domestic wool, while at the same time guaranteeing a contribution to producers for their production costs. The contributions for wool projects enables the industry to develop processes for wool treatment and to promote wool products.

4. Background and authority

Federal Law on Agriculture of 29 April 1998 (SR 910.1).

5. Form of the subsidy

The Confederation makes an annual contribution of CHF 0.8 million for the professional treatment of domestic sheep wool and for wool projects.

6. How the subsidy is granted and to whom

The subsidy is granted by the Confederation to recognized self-help organisations of sheep owners and wool processors. The contribution is based on the weight of transformed wool and based on project costs.

¹ Horses intended for slaughter are not included.

² In 2014, Switzerland implemented the revised Agricultural Policy for 2014-2017 thereby reforming domestic support measures. The relevant data are not available yet and will be provided in the next notification. Reference is also made to the notifications on domestic support provided to the Committee on Agriculture.

7. Amount of the subsidy per unit

Year	Total (millions of CHF)	Per unit (CHF per kg)
2013	0.3 (for the treatment of domestic sheep wool)	2.00
2013	0.5 (for wool projects)	

8. <u>Duration of the subsidy</u>

The subsidy for the purchase of domestic wool was introduced in 1962. It is provided in two instalments per year. Contributions for projects were introduced in 2003.

9. Statistical data enabling the effects of the subsidy on trade to be assessed

Production and trade of wool (in tons)

Year	Production	Imports	Exports
2013	506	534	539

3. EGGS

1. <u>Title of the subsidy programme</u>

Contributions for the disposal of eggs.

2. <u>Period covered</u>

 2013^{3}

3. General goal and/or purpose of the subsidy

The purpose of the subsidy is to promote the disposal of domestic eggs.

4. Background and authority

- (a) Federal Law on Agriculture of 29 April 1998 (SR 910.1).
- (b) Federal Ordinance of 26 November 2003 concerning the egg market (SR 916.371: Egg ordinance).

5. Form of the subsidy

Contributions (grants).

6. How the subsidy is granted and to whom

The Confederation can finance measures to facilitate the disposal of domestic eggs (cracking eggs and price reductions).

³ In 2014, Switzerland implemented the revised Agricultural Policy for 2014-2017 thereby reforming domestic support measures. The relevant data are not available yet and will be provided in the next notification. Reference is also made to the notifications on domestic support provided to the Committee on Agriculture.

7. <u>Amount of the subsidy</u>

Year	Total amount (millions of CHF)
2013	1.6

8. <u>Duration of the subsidy</u>

Payments are made usually on a monthly basis during a calendar year.

9. Statistical data enabling the effects of the subsidy on trade to be assessed

Production, trade and consumption of eggs in shell (millions of eggs)

Year	Production	Imports	Consumption
2013	812	484	1,006

Exports are negligible.

4. PROTEIN AND FIBRE PLANTS

1. <u>Title of the subsidy programme</u>

Bonuses to promote the growing of protein and fibre plants.

2. Period covered

2013⁴

3. General goal and/or purpose of the subsidy

Growing premiums for protein and fibre plants are one of the measures designed to safeguard producer income and support local production.

4. Background and authority

Federal Law on Agriculture of 29 April 1998 (SR 910.1).

5. Form of the subsidy

Payment to the producer (grant).

6. How the subsidy is granted and to whom

Crop bonuses proportionate to the area under cultivation are allocated to domestic producers of high-protein peas and field beans. The bonuses are allocated annually in the Confederation budget.

⁴ In 2014, Switzerland implemented the revised Agricultural Policy for 2014-2017 thereby reforming domestic support measures. The relevant data are not available yet and will be provided in the next notification. Reference is also made to the notifications on domestic support provided to the Committee on Agriculture.

7. <u>Amount of the subsidy</u>

Support measures		Millions of CHF 2013
Payment to the producer (1,000 CHF per hectare)	Field beans and high- protein peas; fibre plant	4.25

8. <u>Duration of the subsidy</u>

The subsidy was paid on the basis of the ordinance of 7 December 1998 for 2013 (RS 910.17).

9. <u>Statistical data enabling the effects of the subsidy on trade to be assessed</u>

<u>Production, trade and consumption</u> (not allowing for fluctuations in stocks)

Field beans, high-protein peas				
Year	Production (thousands of tons)	Imports (thousands of tons)	Consumption (thousands of tons)	
2013	13.6	17	30.6	

5. OIL-SEEDS

1. <u>Title of the subsidy programme</u>

Bonuses to promote the growing of oilseeds.

2. <u>Period covered</u>

2013⁵

3. General goal and/or purpose of the subsidy

The measures taken to promote arable farming are aimed at keeping a minimum area for the production of oil-seeds both for biological reasons linked to the need for a certain crop diversification and for reasons of maintaining domestic supply.

4. <u>Background and authority</u>

Federal Law on Agriculture of 29 April 1998 (SR 910.1).

5. Form of the subsidy

Payment to the producer (grant).

6. How the subsidy is granted and to whom

The following subsidies are granted for rapeseed, sunflower seed and soybeans. Crop bonuses proportionate to the area under cultivation are allocated to domestic producers.

⁵ In 2014, Switzerland implemented the revised Agricultural Policy for 2014-2017 thereby reforming domestic support measures. The relevant data are not available yet and will be provided in the next notification. Reference is also made to the notifications on domestic support provided to the Committee on Agriculture.

7. Annual amount of the subsidy

Support measures		Millions of CHF 2013
Payment to the producer (1,000 CHF per hectare)	Rapeseed, sunflower seed and soybeans	27.4

8. <u>Duration of the subsidy</u>

A support of oil production was introduced in 1951. The subsidy was paid on the basis of the ordinance of 7 December 1998 (RS 910.17).

9. Statistical data enabling the effects of the subsidy on trade to be assessed

The subsidy has made it possible to keep a minimum area under oil-seed production. Domestic production is equivalent to 20-25 per cent of Swiss average consumption of vegetable oils and fats.

Production and trade (in tons)

	Field beans, high-protein peas					
Year Production Imports Oil exports						
	Rapeseed	72,500	6,905	49		
2013	Soybeans	3,550	16,700	161		
	Sunflower seeds	8,570	5,400	861		

6. SUGAR BEET

1. <u>Title of the subsidy programme</u>

Bonuses to promote the growing of sugar beet for sugar production.

2. Period covered

2013⁶

3. General goal and/or purpose of the subsidy

In order to guarantee domestic supply, a subsidy to promote the production of sugar beet was introduced in 2008 and has fully replaced in 2009 the allowance to the sugar factories.

4. Background and authority

Art. 54 of the Federal Law on Agricultural of 29 April 1998 (SR 910.1).

5. Form of the subsidy

Payment to the producer (grant).

⁶ In 2014, Switzerland implemented the revised Agricultural Policy for 2014-2017 thereby reforming domestic support measures. The relevant data are not available yet and will be provided in the next notification. Reference is also made to the notifications on domestic support provided to the Committee on Agriculture.

Crop bonuses are proportionate to the area under cultivation. They are allocated to domestic producers of sugar beet, which are used to produce sugar. To receive the grant, producers must have a written contract with a sugar processing factory.

7. Amount of the subsidy per unit

Year	Support measures	Total (Millions of CHF)	CHF per hectare
2013	Payment to the producer (grant)	37.1	1,900

8. <u>Duration of the subsidy</u>

The legislation funding subsidy for production of sugar was introduced in 1957. The subsidy was paid on the basis of the ordinance of 7 December 1998 (RS 910.17).

9. Statistical data enabling the effects of the subsidy on trade to be assessed

Production and trade of sugar (in tons)

Year	Production	Imports ⁷	Exports ⁸
2013	217,000	143,000	2,800

7. SEEDS

1. <u>Title of the subsidy programme</u>

Bonuses to promote the growing of plants seeds.

2. Period covered

2013⁹

3. General goal and/or purpose of the subsidy

The seeds culture of food and feed crops must be maintained under the Swiss production conditions to ensure domestic supply.

4. Background and authority

Federal Law on Agriculture of 29 April 1998 (SR 910.1).

Form of the subsidy

Payment to the producer (grant).

6. How the subsidy is granted and to whom

The following subsidies are granted for production of seed potato, seed corn and seed grass. Crop bonuses proportionate to the area under cultivation are allocated to domestic producers.

⁷ Customs tariff headings: 1701.1100/1200/9100/9900/9991/9999.

⁸ Id.

⁹ In 2014, Switzerland implemented the revised Agricultural Policy for 2014-2017 thereby reforming domestic support measures. The relevant data are not available yet and will be provided in the next notification. Reference is also made to the notifications on domestic support provided to the Committee on Agriculture.

7. <u>Amount of the subsidy</u>

Support measures		Millions of CHF 2013
Payment to the producer (1,000 CHF per hectare)	Seed production	2.1

8. <u>Duration of the subsidy</u>

The subsidy was paid on the basis of the ordinance of 7 December 1998 (RS 910.17).

9. Statistical data enabling the effects of the subsidy on trade to be assessed

Production and trade (in thousands of tons)

Year		Production	Imports	Exports
	Seed potatoes	21.0	4.0	0.66
2013	Seed corn	0.6	1.5	0.1
	Seed grass	0.2	7.1	0.9

8. FRUIT

1. <u>Title of the subsidy programme</u>

Promotion of domestic production.

2. <u>Period covered</u>

2013¹⁰

3. General goal and/or purpose of the subsidy

The purpose of the subsidy is to offer products at a competitive price within the scope of the promotion of rural development. Other measures in this sector are aimed at preventing a collapse in the prices of domestic products.

4. <u>Background and authority</u>

Federal Law on Agriculture of 29 April 1998 (SR 910.1).

5. <u>Form of the subsidy</u>

The subsidies are granted according to (a) and (b)

- (a) Subsidies to promote the utilization of surpluses. These are primarily intended for manufacturers of concentrated fruit juice to cover the additional costs resulting from the takeover of surpluses.
- (b) In addition, subsidies are paid to manufacturers in order to create competitive conditions to purchase Swiss fruit for processing. The subsidies are fixed sums per unit, which are determined according to market conditions.

¹⁰ In 2014, Switzerland implemented the revised Agricultural Policy for 2014-2017 thereby reforming domestic support measures. The relevant data are not available yet and will be provided in the next notification. Reference is also made to the notifications on domestic support provided to the Committee on Agriculture.

See replies to Question 5.

7. Amount of the subsidy

Total amount (in millions of CHF)

Year	Total
2013	4.1

Amount per unit

The amounts per unit for the measures mentioned cannot be shown because they vary too widely with conditions and with the market situation.

Duration of the subsidy

For the measures during the period covered by the notification, see the replies to Question 5.

9. Statistical data enabling the effects of the subsidy on trade to be assessed

Production and trade (thousands of tons)

Year	Production		Imp	oorts
	Total ¹¹	of which apples	Chapter 08	Heading 0808/0809
2013	177	132	524	74

The quantities of fruit exported (Chapter 08) correspond to:

2013: 8,928 tons

9. PROCESSED AGRICULTURAL PRODUCTS

1. <u>Title of the subsidy programme</u>

Export refunds for processed agricultural products.

2. Period covered

2013-2014.

3. General goal and/or purpose of the subsidy

In order to place the Swiss food processing industry on an equal footing with foreign competitors with respect to the cost of basic agricultural commodities incorporated into processed products, the Law mentioned below authorises the Government to grant refunds on exports.

4. Background and authority

The contributions are legally based on the Federal Law of 13 December 1974 on the import and export of processed agricultural products (SR: 632.111.72), which has been in force since 1 June 1976, and the Ordinance of 22 December 2004, respectively of 23 November 2011, regulating contributions to exports of processed agricultural products (SR: 632.111.723).

¹¹ Apples, pears, quinces, cherries, plums and prunes, apricots, peaches and berries.

5. Form of the subsidy

The contributions are granted for the export of certain agricultural commodities (dairy products and cereal products) when exported in the form of processed agricultural products.

6. How the subsidy is granted and to whom

The contributions are paid to manufacturers upon export. Requests for contributions for exports from December of the preceding year until June of the current year have to be submitted until 15 August of the current year, for exports from July to November until 31 December of the current year.

7. <u>Unit amount of the subsidy or, where this is not possible, total amount or budgeted annual amount of the subsidy.</u>

The total amount of the contributions paid was: CHF 70.0 million in 2013 and CHF 70.0 million in 2014.

Export contributions are calculated and fixed for the defined agricultural commodities (dairy and cereal products) used by the food industry on the basis of the difference between Swiss and foreign representative prices. The export refunds are adapted in case of considerable price fluctuations. The amount granted per unit of processed agricultural products depends on the fixed contributions and on the quantities of agricultural commodities used for the preparation of goods exported

8. <u>Duration of the subsidy and/or any other deadline connected with the subsidy</u>

Export refunds for processed agricultural products have been granted since 1 June 1976. Until 2011, the budget was allocated on an annual basis from 1 January to 31 December. Since 2013, the budget of a given year is allocated for exports in December of the preceding year until November of the current year.

9. Statistical data enabling the effects of the subsidy on trade to be assessed

Year	Total value of exports of processed agricultural products (HS chapters 15-22) (Millions of CHF
2013	4′833
2014	4′875