

WORLD TRADE ORGANIZATION

RESTRICTED

G/STR/Q1/CHE/5

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Working Party on State Trading Enterprises

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REPLY TO QUESTION POSED BY NEW ZEALAND¹ CONCERNING THE ARTICLE XVII NOTIFICATION OF SWITZERLAND²

The following communication, dated 9 September 1996, has been received from the Permanent Mission of Switzerland.

Question

We would like to know, in the light of the outcome of the recent Trade Policy Review of Switzerland, whether Switzerland intends to notify the Swiss Cheese Union (USF) as a State Trading Enterprise falling under the definitions contained in Article XVII and the Uruguay Round Understanding. New Zealand believes that the Union is notifiable since it implements an obligatory delivery scheme for Switzerland's main cheese varieties, it relies on a guaranteed commission regardless of the actual terms of sales and its losses are covered by the Confederation's dairy account. It also administers export subsidies for these cheese varieties and administers several bilateral agreements affecting exports. Thus, by virtue of its purchases and sales, it will have a significant impact on the level and direction of trade.

Answer

The Swiss Cheese Union (SCU) is a private body with a governmental mandate for export marketing of three cheese types (Emmental, Gruyère and Sbrinz). The SCU determines the marketing principles for subsidized exports of these cheeses and allocates the export subsidy entitlements to its members.

The future of the SCU is presently being discussed. Subject to future regulatory changes Switzerland is prepared to re-examine the question of whether the SCU should be notified under Article XVII notification procedures. In doing so, Switzerland will take into account the progress of work concerning the Illustrative List as mentioned in the Understanding on the Interpretation of Article XVII of the General Agreement on Tariffs and Trade 1994.

¹G/STR/Q1/CHE/3.

²G/STR/N/2/CHE.