

handel

ambasuisse

h e l s i n k i



bern 28.11.78

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von handel, betrifft cash payment system. ersuchen euch, folgende note an ausserministerium baldmoeglichst zu uebergeben.

einleitungsformel.

as it appears from finefta document 14/78, the bank of finland has curtailed its cash payment system for imports as from november 1, 1978.

the swiss authorities have carefully examined the situation resulting from this last measure of release. they have noted with satisfaction that the percentage of swiss exports to finland covered by the system fell from approximately 43 per cent to about 19 per cent. the swiss authorities appreciate this development, particularly in the light of the strongly negative development of swiss exports since the introduction of the scheme. as a matter of fact, swiss exports to finland fell from 376 million swiss francs in 1976 to 335 million francs in 1977, during the first ten months of 1978 this trend continued: exports amounted to 232 million francs only, whereas they were 286 millions during the same period of 1977. on the other hand, imports in switzerland from finland increased during the same period from 202 million francs in 1976 to 238 million in 1977, for the first ten months of this year they reached practically the level of the preceeding year, namely 194 million swiss francs against 199 million.

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while examining the list of the remaining items covered by the cash payment system, the swiss authorities noted a tendency to dismiss from the scheme those products, which are used as raw materials or semi finished products in the finnish industry, as well as those not manufactured in the country. the swiss authorities are concerned about this tendency which can result in a protective effect in favour of the finnish industry.

swiss authorities are particularly disappointed that the chapter 91 of bn (clocks and watches) is still kept under the cash payment scheme. they have noted that the bank of finland has, while maintaining watches on the list, dismissed such products from the scheme as precious stones, pearls, art objects, cameras and tobacco.

during the bilateral talks which were held in june 1978 in turku, the swiss delegation stressed the very negative impact of the cash payment system on watch imports and asked its abolishment at least for these products. the delegation was given assurance that the finnish side had recognized the problem and would be prepared to seek a solution to the problem. as the swiss delegation had the occasion to explain, finnish importers of swiss watches are mostly small and medium firms with a rather limited cash basis and therefore particularly hard hit by the cash payment obligation. in this respect the development of finland's imports of swiss watches is very significant: it decreased from 450'475 watches in 1975 to 304'094 pieces only in 1977. during 1978 the development became dramatic:

from january to september 130'823 swiss watches only have been imported in finland, against 200'823 pieces last year which already was the worst year since 1973. the swiss share of watches imported by finland, which was 79,5 per cent in 1974, has constantly decreased since and reached, for the period january to september 1978 the extraordinary low figure of 32,8 per cent.

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the reports which the swiss government has received from the export industry clearly show that the decisive factor of this development is the cash payment scheme. as a result, far-reaching and probably irreversible changes have taken place in the watch marketing structure of finland, detrimental to the swiss watch.

the swiss government therefore urgently expects that the bank of finland would review its decision in the nearest future.

schlussformel. lusser

politique