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Press release

Military compensation transactions: Federal Council's strategy must be implemented

Bern, 3 May 2016 – In an audit, the Swiss Federal Audit Office (SFAO) recognised the effort made by the Federal Council to improve its policy on compensation transactions in relation to armament procurements abroad. Some fine-tuning still has to be carried out at armasuisse.

In 2007, the SFAO examined military compensation transactions. According to its calculations, only 40% of Swiss armament procurements abroad were actually offset by counter-transactions made in Switzerland, and not 100% as reported by the Federal Council. Following this evaluation, the latter reviewed its strategy in line with the SFAO's recommendations in 2010.

In a new audit, the SFAO noted, however, that armasuisse, the Armed Forces central procurement office, is struggling to fully implement the Federal Council's principles. In its approach, armasuisse remains accommodating when validating the compensatory nature of the transactions carried out to offset Swiss procurements abroad.

armasuisse has accepted the SFAO's recommendations

The SFAO also questioned another practice of armasuisse. In spite of the vote against buying Gripen fighter jets in a national referendum, the manufacturer Saab and its sub-contractors can claim compensation transactions in Switzerland up to 2018. In the future, the SFAO would like additional information on the creation of counter-transaction "reserves", e.g. when the original transaction is not carried out.

In conclusion, the SFAO noted that armasuisse and the employers' associations have re-established an offset office. armasuisse agreed to implement the SFAO's recommendations in its position statement.

Further details

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The audit report is available on the website www.cdf.admin.ch.