INVENTORY OF AIDS AND SUBSIDIES
(TN.64/Me/N/23)

SPAIN

1. Acquisition of animals, feedstuffs, buildings and equipment

1.1 Subsidies and credits

A single subsidy, equal to 10 per cent of investments in buildings, installations and equipment, whether for new construction or for modernization. Between February 1965, when the provisions on "Concerted action in regard to meat" took effect and August 1966, 132 million pesetas were spent for this purpose.

In addition, credit is granted on fixed capital amounting to 70 per cent of investments repayable in ten years. The credit thus granted from February 1965 to August 1966 was 927.5 million pesetas.

There are no subsidies or any other type of aids for the acquisition of cattle, except credits of up to 50 per cent of the value for the purchase of animals for fattening and breeding animals; such credits are repayable in five years. The same applies to the acquisition of other circulating capital items, although the maximum credit is only 25 per cent of the value. Between the dates indicated above the amount of credit thus granted was 474 million pesetas for the acquisition of animals and 252 million pesetas for circulating capital.

1.2 Other types of aids

A reduction - up to 95 per cent - in the transfer tax on the constitution or increase of capital. Likewise as regards the licensing tax during the installation period.

A reduction - up to 95 per cent - in the rate of income tax on the proceeds from loans issued to finance new investments.

No repayment required in the first five years, and a reduction - up to 95 per cent - in turnover tax on the purchase of capital goods and initial equipment installation.
2. Services

Through the appropriate organizations, the State provides a series of services at nominal prices, such as imports of semen, artificial insemination, campaigns against animal diseases, yield control and in general all measures designed to improve the cattle herd.

Producers participating in the "Concerted action" programme receive priority in technical advisory services and in the use of official and experimental centres, artificial insemination and the supply of selected breeding stock.

3. Slaughterhouses and cold-storage

3.1 Subsidies and credits

Provision is made in the Development Plan for the construction of four refrigerated industrial slaughterhouses, representing an investment of 365 million pesetas of which 60 per cent is to be covered by special credits.

There are no subsidies or special credits for the construction of cold-storage premises.

Nevertheless, the general refrigerated slaughterhouses and cold-storage premises in production areas can, as from 1 January 1966, benefit from a special system of subsidies for initial installation, granted by the Cabinet on a proposal by the Minister of Finance under the conditions determined for that purpose, and likewise from a special credit line for discount in the Bank of Spain for the financing of their negotiable instruments.

3.2 Other types of aid

Under a Cabinet Decree dated 24 December 1964 the industries entitled to priority include cold-storage premises in production areas and general refrigerated slaughterhouses, which are thus eligible for the following benefits:

(a) preference in the granting of official credit;

(b) release from repayment obligation in the first five years;

(c) 95 per cent reduction in the licensing tax during the installation period;

(d) reduction - up to 50 per cent - in the rates of tax on income from capital for the issue of shares and income from loans.
(e) reduction - up to 95 per cent - in the tax on inheritance transfers and deeds;

(f) reduction - up to 95 per cent - in the general turnover tax on sales transactions for capital goods and equipment for initial installation, manufactured in Spain;

(g) reduction - up to 95 per cent - in the customs duties or levies offsetting internal charges with respect to imports of capital goods and equipment not manufactured in the country, where imported for incorporation with capital goods manufactured in Spain.

4. Marketing

4.1 Measures affecting prices

There are no measures affecting prices other than those given under I(i) of the Programme of Work.

Among those measures, the one which most directly affects prices is the release onto the market of frozen meat held in reserve by official organizations, when the weighted averages of prices in the markets of Madrid, Barcelona, Valencia, Seville and Saragossa are higher than the price previously mentioned.

4.2 Quality premiums

The State authorities pay a premium of 5 US cents per kilogramme, carcass weight, to producers participating in the "Concerted action" when the meat supplied by them to the administration meets certain quality standards (age and weight).

5. Consumption

The other measures designed to reduce costs to consumers are those for the improvement of marketing circuits: establishment of a national corporation, MERCASA, in order to establish new central markets to permit better competition; aid to promote production and consumption co-operatives; also promotional measures for the establishment of supermarkets.

All these measures are designed to reduce marketing costs and, ultimately, costs to consumers.