

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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STATE-TRADING

Notifications Pursuant to Article XVII:4(a)

SPAIN

The following communication, dated 20 November 1984, has been received from the Permanent Mission of Spain

In accordance with the provisions of Article XVII, the Spanish authorities are furnishing the following information concerning State-trading enterprises and other government bodies concerned with trade matters, updating earlier submissions.

I. Enumeration of State-trading enterprises and other government bodies concerned with trade matters

At the present time, the agencies, undertakings and products which can be considered as covered by the provisions of Article XVII of the General Agreement are the following:

1. National service for agrarian products (SENPA)

Vegetable oils, wheat, sugar, meat (beef, pigmeat and poultry meat), coffee and ethyl alcohol

2. Tabacalera, S.A.

Unmanufactured and manufactured tobacco

3. Petroleum Monopoly Administration (CAMPSA)

Petroleum products

II. Reason and purpose for introducing and maintaining the agencies and enterprises enumerated in Section I

(a) Under Royal Decree 2024/1981 of 4 December 1981, SENPA, which is an autonomous State agency, under the authority of the Ministry of Agriculture, Fishery and Food, took over the property, rights and obligations of the General Commissariat for Supply and Transport (CAT). The latter had been established by a law dated 10 March 1939 as a State agency under the authority of the Ministries of Agriculture and of Trade. Apart from the above-mentioned functions, SENPA continues to carry out those already assigned to it while CAT was still in existence.

The principal task of SENPA, as the successor body to CAT, is to ensure normal foodstuff supplies for the country.

(b) Tabacalera, S.A.

The tobacco monopoly dates back a long while, having been established in 1632. It is fundamentally of a fiscal character.

The present concession was granted to Tabacalera by a decree dated 17 June 1971, for a period of twenty years, in other words, until 1991.

(c) Petroleum Monopoly Administration (CAMPSA)

The petroleum monopoly, which is of a fiscal character, is under the authority of the Ministry of Economy and Finance. It was established under a Royal Decree-Law dated 28 July 1927. CAMPSA was set up in order to operate the operation and distribution monopoly, and the contract between the Spanish State and CAMPSA was approved on 10 January 1928. It was amended by a law dated 17 July 1947, and implementing regulations were established by a decree dated 20 May 1949.

III. Description and functioning of the agencies and enterprises enumerated in Section I

(a) National service for agrarian products

SENPA has the exclusive right to import the products for which it has responsibility, namely: beef, pigmeat and poultry meat, alcohol, vegetable oils, butter, sugar and wheat.

Other foodstuff products subject to State trading are imported directly by individual persons, either freely or under individual licence where relevant.

In the exceptional event of market disturbance, SENPA is empowered to carry out imports in parallel with those by individual persons and under the same conditions.

SENPA does not normally export any of the articles under its control (listed in the first paragraph of this Section (a)) because they are normally imported products. Nevertheless, SENPA could export on an exceptional basis in the event of a substantial surplus of one or other of those products; in practice this would apply only in respect of wheat and when the annual harvest is particularly abundant. In such cases, international market prices of the product concerned will be applied. Nevertheless, any such exports are to be considered as exceptional. Spain's production is not sufficient to meet domestic requirements and in no way could SENPA be said to have the export of foodstuffs as one of its tasks.

Direct purchases by SENPA are made through a tendering procedure in which all countries can participate without discrimination, except the East European countries which have a special trade structure.

For each product, the volume of imports is determined in the light of market requirements so as to cover the shortfall in domestic production and avoid causing any injury for the latter by admitting excessive foreign supplies, and while guaranteeing a normal price level for the various consumer products.

The fixing of export prices - with which, as already stated, SENPA is concerned only rarely - is made on the basis of international prices for each of the products concerned; SENPA receives any profits accruing from the operation and likewise covers any losses.

Prices of imported products are fixed at levels corresponding to the prices of like domestic products. Any difference, whether upwards or downwards, between prices of imports and of domestic products accrues to SENPA as profit or loss as the case may be.

SENPA does not negotiate any long-term contracts for either exports or imports in its capacity as a State-trading enterprise; nor does it apply the traditional State-trading methods to meet contractual obligations taken on by the Government, although there is no legal or practical obstacle to its doing so.

SENPA does not at present negotiate any long-term contracts for the purchase of cotton; nor does it apply State-trading methods to carry out the contractual obligations taken on by the State.

(b) Tobacco monopoly: Tabacalera, S.A.

The tobacco monopoly is administered by Tabacalera S.A. which is the only body in the Peninsula and the Balearic Islands empowered to import unmanufactured and manufactured tobacco. It is likewise the only body in the Peninsula that exports unmanufactured and manufactured tobacco. In the Spanish territories in North Africa the monopoly is entrusted to TACASEMA (Tobacco Company of Ceuta and Melilla) whose functions are similar to those of Tabacalera S.A.

Tabacalera S.A. purchases domestically-produced tobacco through the National Tobacco Cultivation and Fermentation Service of the Ministry of Agriculture, Fishery and Food.

Private traders in the Peninsula and Balearic Islands are not authorized to make any imports or exports.

The volume of imports is determined by national consumption requirements.

The principal tasks of Tabacalera S.A. are the following:

1. Import and export of unmanufactured and manufactured tobacco.
2. Purchase of such quantities of tobacco products from the Canary Islands as are determined by the Government.
3. Manufacture of products in the Peninsula from domestic and imported tobacco.
4. Storage, transport, distribution and sale of products manufactured by Tabacalera, as well as those coming from the Canary Islands and products imported from abroad. It must maintain stocks at a level sufficient to cover four months' consumption of cigarettes and cut tobacco, and six months' consumption of cigars.
5. Repression of smuggling.
6. Determination of selling prices of domestic and imported tobacco products. Any difference between import prices and selling prices, after deduction of the cost of any handling, storage and transport, accrues to Tabacalera S.A. Exports prices are fixed on the basis of international prices for like qualities.

Although this is not stipulated in the contract between the Spanish State and Tabacalera S.A., there is nothing to prevent the latter from entering into long-term contracts, although in practice it has never done so.

In practice there are no exports of tobacco produced in the Peninsula, whether unmanufactured or manufactured. The Canary Islands export manufactured tobacco freely, since the tobacco monopoly has no jurisdiction nor effect in these islands.

Although the Spanish State has a majority holding in Tabacalera S.A., a large part of the shares of the latter are held by private individuals and they are quoted daily on Spanish stock exchanges.

(c) Petroleum Monopoly Administration (CAMPSA)

CAMPSA operates and administers the monopoly in respect of certain petroleum products.

In principle, it has responsibility for the import, industrial handling of all kinds, storage, distribution and sale of petroleum and petroleum products in the solid, liquid or gaseous state in the Peninsula and the Balearic Islands.

Crude is imported directly by the refineries. CAMPSA only imports finished products when refinery production capacity is not sufficient, or in the case of certain special fuels not produced by the domestic refineries. Exports consist almost exclusively of ships' supplies, delivered by CAMPSA in the Peninsula and the Balearic Islands. Fuel supplies for airlines are delivered with no differentiation by CAMPSA and by foreign companies.

Although the Spanish State has a major holding in this corporation, a very large part of the shares are held by private individuals and they are quoted daily on the Spanish stock exchanges.

The principal tasks entrusted to CAMPSA are the following:

1. To purchase petroleum products needed to meet domestic consumption requirements.
2. To intensify and ensure oil-prospection activities in the national territory.
3. To purchase domestic alcohol for the manufacture of liquid fuels.
4. To establish oil-refining industries.
5. To purchase oilfields in producing countries.
6. To organize contraband repression services for these products.
7. To collect for the Treasury the taxes charged on sales of petroleum products.
8. To authorize the installation of delivery points for sales of these products.
9. Study and construction of tankers in Spanish shipyards.

The Government determines selling prices of the petroleum products covered by the monopoly. Any difference between the purchase prices of raw materials and the selling prices of finished products, after deduction of the costs of transport, storage, handling and refining, accrues to CAMPSA.

CAMPSA draws up and submits to the Government import plans for petroleum products, the relevant quantity being determined on the basis of domestic fuel needs.

Private persons are not authorized to import or export the petroleum products covered by the monopoly.

CAMPSA can negotiate long-term contracts and carry out transactions in pursuance of the Spanish Government's contractual obligations.

IV. Statistical information

Annexed to this report are three tables showing products imported and exported by CAT (the predecessor of SENPA, as already indicated) or SENPA, Tabacalera, and CAMPSA. The tables contain data in respect of these products with an indication of the relevant tariff heading. The data relate to 1981, 1982 and 1983.

V. Reasons why no foreign trade has taken place (if this is the case) in products affected

This section has not been completed, since there have been transactions in all the products mentioned.

IMPORTS AND EXPORTS

Tariff heading No.	Description of products	Year	Imports		Exports		Domestic production (in '000 tons)
			Tons	Value	Tons	Value	
02.01	Beef	1980	365,1	41.566	2.788	303.521	421.549
		1981	15	4.057	8.210	1.015.452	417.674
		1982	66,1	20.282	653,1	131.872	419.900
		1983					421.800
	Pigmeat	1980	1.757	213.596	979	180.063	986.078
		1981	0,1	15	1.848	263.181	1.021.267
		1982	0,3	86	1.281,7	286.986	1.114.600
		1983					1.119.300
	Poultry meat	1980	15	1.563	1.366	141.186	771.329
		1981	0,1	62	1.762,1	212.138	884.792
		1982	0	0	1.678,2	237.338	853.000
		1983					812.900
10.01	Wheat	1980	297.028	4.895.768	45.156	734.271	6.039,2
		1981	210.200	4.060.532	537.780	9.603.740	3.408,3
		1982	216.001	3.875.806	84.303	1.489.280	4.410,1
		1983					4.330,4
15.07	Crude sunflower-seed oil	1980	14.256	668.353	951	9.959	
		1981	6.931	461.520	1.001	57.161	
		1982	25.605	1.688.931	2	415	

Values in Ptas '000

ANNEX 1 (cont'd)

SENPA

(Peninsula and Balearic Islands)

IMPORTS AND EXPORTS

Tariff heading No.	Description of products	Year	Imports		Exports		Domestic production (in '000 tons)
			Tons	Value	Tons	Value	
17.01	Raw sugar	1980	2.448	37.024	14	778	903,8
		1981	15.929	580.046	325,3	25.441	1.026,1
		1982	70.798	2.275.398	4.156,5	171.847	1.143,8
		1983					
22.08	Alcohol	1980	16.071	723.460	1	348	
		1981	9.867	456.156	3	708	
		1982	881	62.355	4	803	
		1983					

Values in Ptas '000

Madrid, November 1984

ANNEX 2

IMPORTS AND EXPORTS FOR THE ACCOUNT OF TABACALERA S.A.

(The data refer to the Peninsula and the Balearic Islands)

Statistical heading No.	Product	Year	Imports		Exports		Domestic production (tons)
			Tons	Value	Tons	Value	
24.01	Unmanufactured tobacco	1981	49.928	14.034.037	2.447	255.425	43.500 (dry and not fermented)
		1982	51.578	22.220.460	1.387	53.054	42.200 (dry and not fermented)
		1983 *	55.615	31.644.036	1.373	181.763	
24.02.20	Cigars	1981	482	1.650.787	0,5	254	
		1982	695	2.765.431	10	12.337	
		1983 *	492	1.898.175	16	21.164	
24.02.10	Cigarettes	1981	811	897.918	460	342.819	
		1982	723	1.172.818	777	659.269	
		1983 *	444	904.513	871	1.070.934	
21.02.30	Manufactured tobacco	1981	64	40.249	--	--	
		1982	137	102.140	--	--	
		1983 *	167	143.794	11	10.350	
	TOTAL	1981	51.285	16.622.991	2.907,5	598.498	
		1982	53.140	26.260.849	2.174	724.660	
		1983 *	56.718	34.589.918	2.271	1.284.211	

Values in Ptas '000

ANNEX 3

IMPORTS AND EXPORTS BY CAMPSA UNDER THE STATE-TRADING REGIME

(Tariff headings 27.10 and 27.11)

Year	Imports		Exports	
	<u>Tons</u>	<u>Ptas '000</u>	<u>Tons</u>	<u>Ptas '000</u>
81	5.162.775	125.244.772	1.741.152,2	44.723.799
82	5.579.158	164.107.345	4.854.234	104.691.326
83	6.628.180	244.530.627	5.553.266	165.892.897

A - CAMPSA (Tariff heading 27.10)

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Year	Imports		Exports	
	<u>Tons</u>	<u>Ptas '000</u>	<u>Tons</u>	<u>Ptas '000</u>
81	1.770.626	45.427.890	1.741.152	44.723.687
82	2.530.087	81.473.815	4.847.413	104.408.382
83	3.549.801	135.496.108	5.429.277	161.243.093

B - NATURAL GAS (Tariff heading 27.11)

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Year	Imports		Exports	
	<u>Tons</u>	<u>Ptas '000</u>	<u>Tons</u>	<u>Ptas '000</u>
81	3.392.149	79.816.882	0,210	112
82	3.049.071	82.633.530	6.821	282.944
83	3.078.379	109.034.519	123.989	4.649.804

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