

## Consumer Affairs wants to corroborate that supermarkets pass on the VAT reduction on olive oil to consumers

**Further requests for information are sent to the main national supermarket and hypermarket chains to check that they pass on the 0% VAT reduction to final consumers.**

*Madrid, 07 August 2024.* The Directorate General for Consumer Affairs - part of the Ministry of Social Rights, Consumer Affairs and Agenda 2030 - has sent new requests for information to the main national retail distribution companies in order to check whether they are correctly transferring the 0% VAT reduction to the final price of olive oil, as decreed by the Council of Ministers on 25 June and whose compliance has been mandatory since 1 July. In this respect, the Minister, Pablo Bustinduy, pointed out that "this initiative extends the actions underway to ensure that the reduction in VAT is passed on in its entirety to consumers and in no case will it feed the profit margin of retail distributors".

In addition, Bustinduy expressed his concern about the escalation in the price of a basic product such as olive oil and his determination to act if the proceedings performed show that supermarkets are not correctly applying the VAT reduction to consumers. However, he also pointed out that Consumer Affairs' competence only affects the last link in the chain - the supermarkets - and that a full investigation of all the links in the olive oil production chain would be necessary to guarantee that consumers' rights and the decisions taken by the Executive are being respected.

It should be noted that these measures have been adopted as a result of a complaint by the Consumers' Association in Action Facua, in which it refers the Directorate-General for Consumer Affairs to potential increases in profit margins in the retail distribution of olive oil and possible price distortions suffered by the end consumer. The complaint has also been forwarded to the *Comisión Nacional de los Mercados y la Competencia* (CNMC) so that it can contribute to clarifying possible distortions in the market.

In the same way, the information gathered during these actions will be sent to the Food Chain Observatory. This contributes to the Ministry's strategy of transparency and clarity in food price formation with the aim of protecting consumers and measuring the positive impact of the various measures adopted by the Government, such as the reduction of VAT to 5% approved in the "Social Shield" by the Government to deal with the rise in prices as a result of the Russian invasion of Ukraine, which included VAT reductions not only on olive oil, but also on fruit and vegetables and other essential products.

Source of information: [Ministerio de Derechos Sociales, Consumo y Agenda 2030](#)