

**Committee on Safeguards**

Original: Spanish

**NOTIFICATION OF LAWS AND REGULATIONS UNDER  
ARTICLE 12.6 OF THE AGREEMENT**

Reply from the BOLIVARIAN REPUBLIC OF VENEZUELA<sup>1</sup>  
to Question Posed by CANADA<sup>2</sup>

The following communication, dated 22 May 2000, has been received from the Permanent Mission of the Bolivarian Republic of Venezuela.

**Question**

**In determining whether there is serious injury or a threat thereof, Venezuelan legislation allows consideration of the impact on food security, in the case of agricultural products (Chapter II, Article 4.2). What is the WTO justification for considering "the impact on food security" in determining injury?**

**Reply**

Article 4.2 of the Venezuelan safeguards law establishes the elements that the investigating authority must take into account for the purposes of a determination of injury and of threat of injury. To that end, the Article stipulates that the factors that must be considered include prices, output, profits, return on investment, utilization of installed capacity, inventories, sales, market share, cash flow, employment and productivity. It also stipulates that, in the case of agricultural products, the impact on food security must also be considered. Basically, this concept will be considered when the investigation relates to agricultural products that are essential for the basic diet of the national population and whose production could risk disappearing as a result of the increase in imports of similar products, with an adverse effect on the standard of living of the rural population and its ability to remain in the countryside.

Nevertheless, it is only after a joint analysis of all the variables mentioned in Article 4.2 and having determined that they have deteriorated, that the authority could take into account the impact on food security of the imports under investigation.

In this way, the said consideration would be consistent with the WTO Agreement on Safeguards and will be taken into account as an additional element to be evaluated for essential agricultural products, only when the growth of the imports has been verified and the requirements regarding injury or threat of injury and the causal relationship established in the WTO Agreement on Safeguards have been fulfilled.

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<sup>1</sup> G/SG/N/VEN/2

<sup>2</sup> G/SG/Q1/VEN/1