

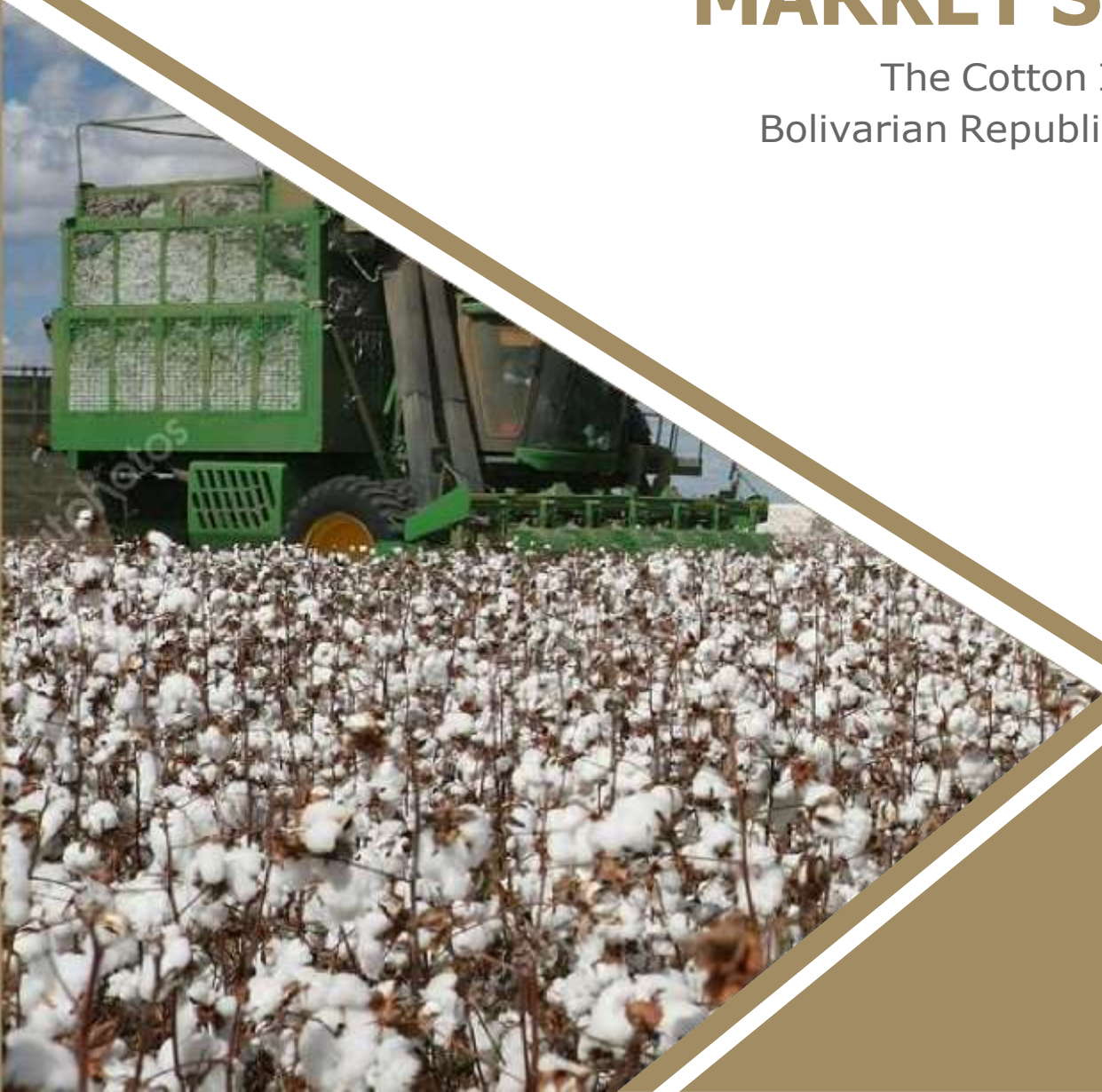


**Embassy of India  
Caracas, Venezuela**



# MARKET SURVEY

The Cotton Industry in the  
Bolivarian Republic of Venezuela



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# Country Profile

## Introduction

The Bolivarian Republic of Venezuela is a sovereign and independent form of political organization, constituted under a republican and democratic model, characterized by principles of justice and equality and a stable union of states in which the different constitutional powers are distributed between a central government and the individual states that comprise it.

The established form of government is the federation, in which the relationship between the member states is organized under the principles of unity, autonomy, hierarchy and participation. This form of government is exercised through the administration of public finances and the execution of each of the legal instruments established for compliance with the law. This exercise of government is a product of the attributions established in the national constitution for each of the branches of public power.

The Public Power, according to the Constitution of the Bolivarian Republic of Venezuela, is distributed among the Municipal Power, the State Power and the National Power. The National Public Power is divided into Legislative, Executive, Judicial, Citizen and Electoral, while the State and Municipal Public Power is divided into Legislative, Executive and Citizen, the latter represented by the State or Municipal Comptroller's Office, as the case may be.

## Geographical aspects.

### Astronomical Geography

The territory of the Bolivarian Republic of Venezuela is astronomically located at 12° 11' 46" North latitude, 0° 38' 53" South latitude, 59° 47' 30" East longitude and 73° 23' 00" West longitude; the distance East - West is 1,493 Km and North - South is 1,271 Km. It covers a continental and insular surface of 916,445 Km<sup>2</sup> and a continental platform of 98,500 Km<sup>2</sup> with a coastline of 4006 Km to the north.

### Physical Geography

The territory enjoys a mostly temperate climate typical of a tropical region, although due to its characteristics it is divided into natural regions. These regions are differentiated by climates that vary from dry to rainy depending on the location. It has been determined the existence of approximately 9 natural regions, and in general terms the average temperature of the territory is 28° C.

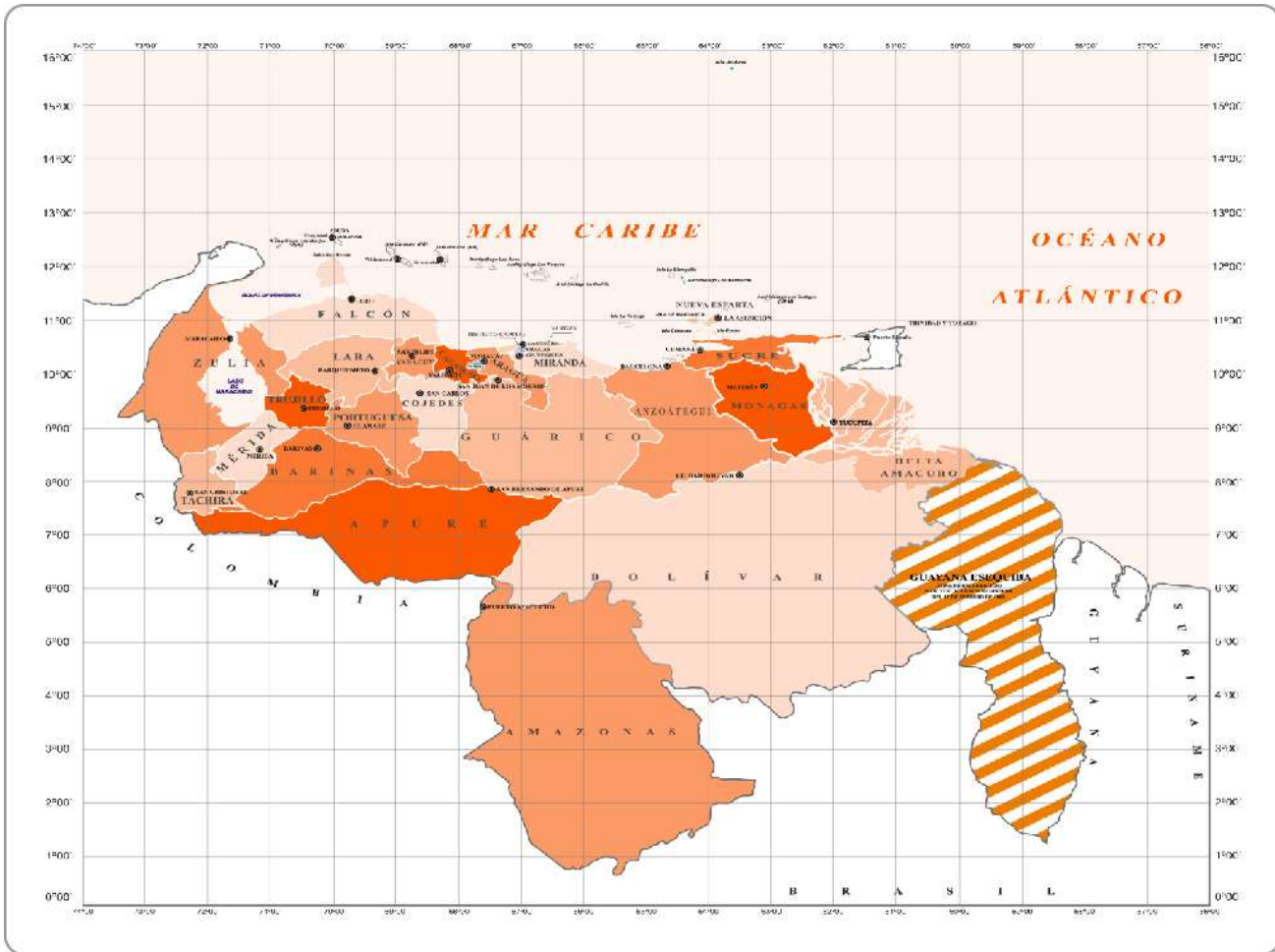
### Political Geography

The Bolivarian Republic of Venezuela maintains a border in its northern part with the insular territories of the United States of America (Puerto Rico and U.S. Virgin Islands), the Kingdom of the Netherlands (Aruba, Curaçao and the Dutch Caribbean), the Dominican Republic, France (Guadeloupe and Martinique), and Trinidad and Tobago. Remaining to delimit part of the border with Colombia (430 km), the islands of St. Kitts and Nevis (80 km), the United Kingdom (Montserrat) (45 km), Dominica (80 km), St. Lucia (10 km), St. Vincent and the Grenadines (90 km) and Grenada (300 km).

Likewise, it maintains a border in its southern part with the Federative Republic of Brazil of 2,199 km, to the east with the Cooperative Republic of Guyana of 743 km (subject to change by claim) and to the west with the Republic of Colombia of 2,219 km.

The territory is divided into 23 Federal Entities, a Capital District, 89 Federal Dependencies and 2 Federal Territories, formed by the territories of Amazonas and Delta Amacuro, which are a special political division. In turn, the 23 Federal Entities are organized into 335 Municipalities and 1136 parishes.

Figure 1 - Astronomical and geographic position of Venezuela



Source: Simón Bolívar Geographic Institute of Venezuela

## Demographic aspects

### Structural

The Bolivarian Republic of Venezuela has a population of 31,028,637 people, of which 15,554,863 are men and 15,473,774 are women. Venezuelan life expectancy is 74.1 years with a birth rate of 20.1 births per 1,000 inhabitants and a neonatal mortality rate of 8.9 per 1,000 live births.

### Dynamics

The schooling expectation is 14.2 years per inhabitant, with an average schooling of 8.9 years and a public expenditure on education of 6.9% of GDP. The employment rate at age 15 and older is 60.2%, with a labour force participation rate of 51.1% for women and 79.2% for men.



## Economic Aspects

### Summary

According to the data submitted by the Venezuelan National Bank (or Banco Central de Venezuela - BCV), the Venezuelan economy shows deep trouble with regard to economic growth, with high rates (5%) in 2012, while a sharp drop occurred since 2014 and economy is contracting for the seventh year running.

Despite being an oil economy, the oil sector is contributing less to the national productive apparatus, representing only 11% of the Gross Domestic Product (GDP); a worrying situation because this is the only economic productive sector participating in international trade, and it contributes 98% of income in foreign currency. Consequently, the rest of the non-oil productive sectors, representing a non-tradable (89%) sector of the economy, is not working under criteria of efficiency and competitiveness. Additionally, the collapse of the oil market

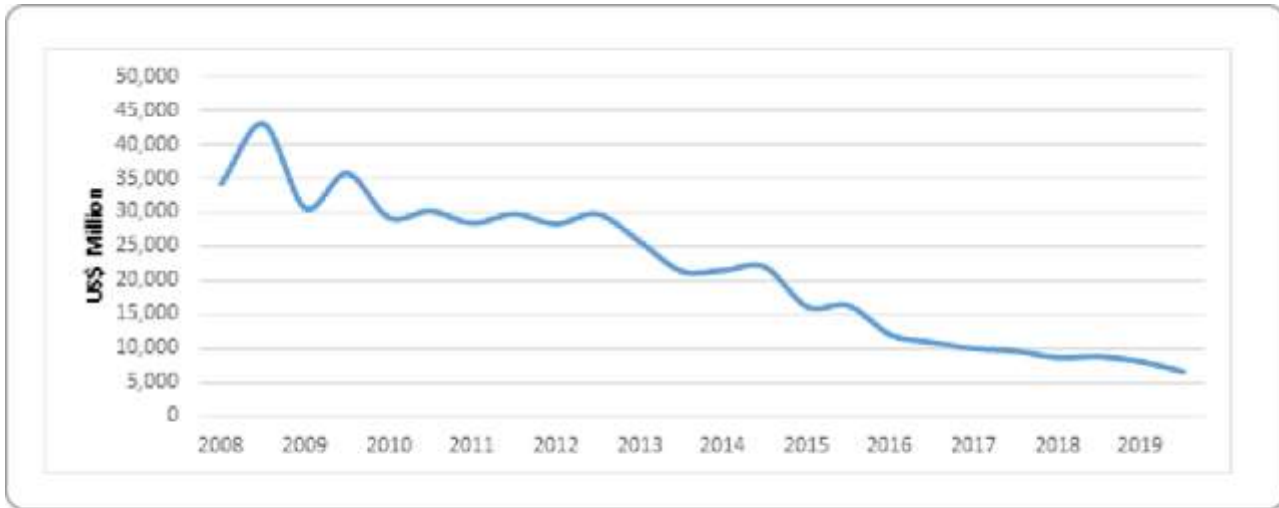
Figure 2 . 2008-2020 GDP Constant Prices



Source: Central Bank of Venezuela

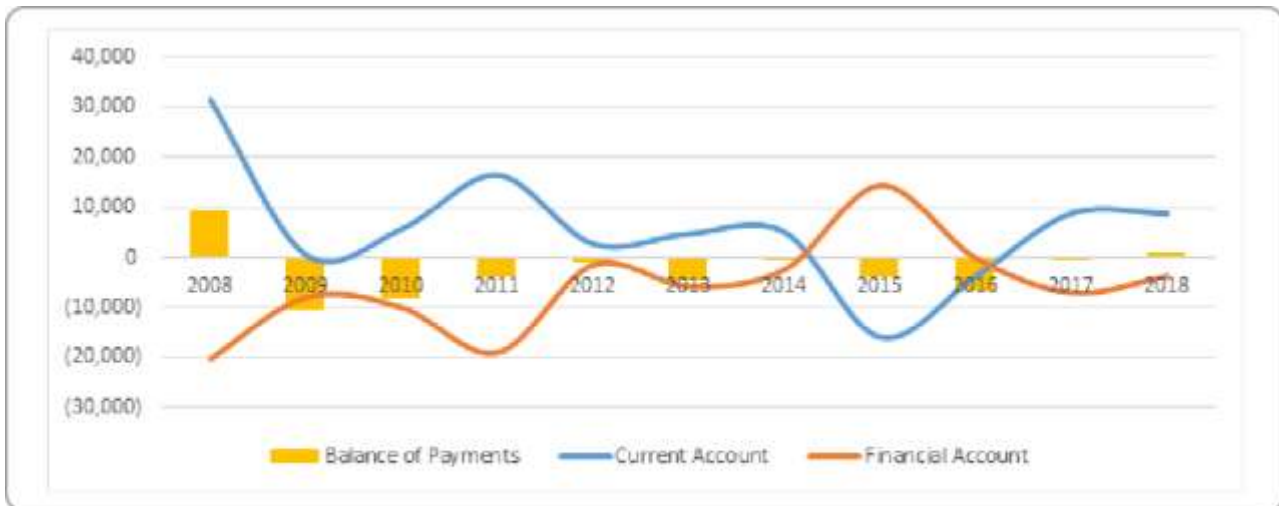
prices and the lack of investment has shortened the external revenues for all the Venezuelan economy. Additional U.S. sanctions have discouraged foreign investment in the oil sector.

Figure 4. Venezuela | International Reserves (US\$ Million) 2008-2019



Source: Central Bank of Venezuela

Figure 3 Balance of Payments (US\$ Million)



Source: Central Bank of Venezuela

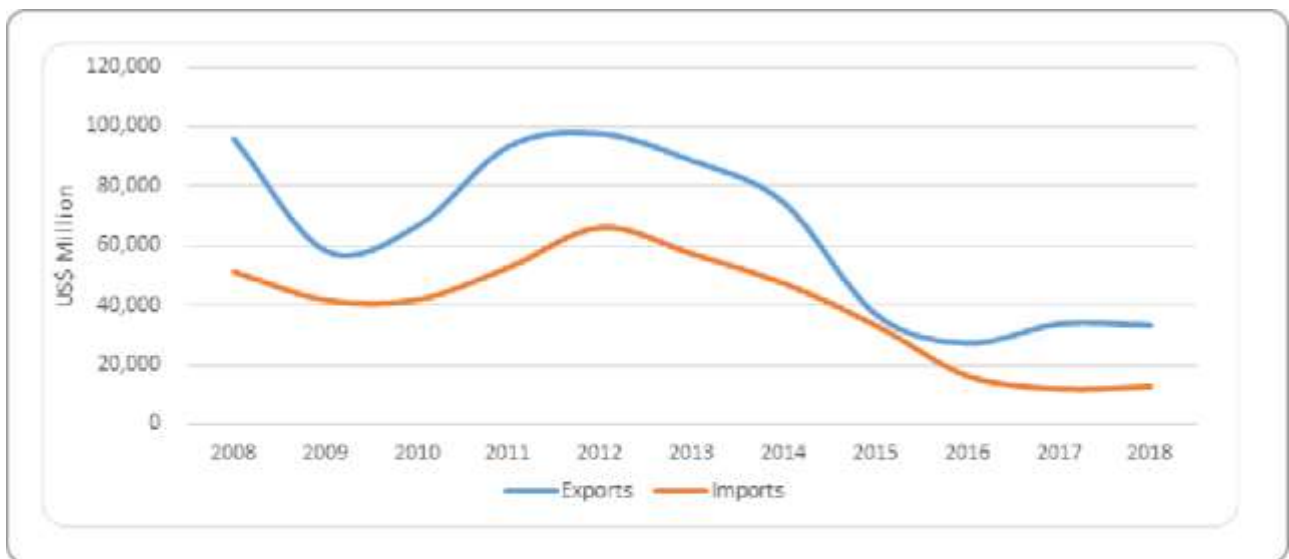
The variation of prices is expected to remain at higher levels since the beginning of the hyperinflation period, changing exponentially. Nevertheless, the speed of price changes has relented and the inflation rate will be 5,000%, due to the partial dollarization of the economy which has encouraged economic activity and reduced scarcity levels.

In the period 2008-2018, international reserves fell to less than a quarter, reaching lower levels similar to those experienced 40 years ago. This creates a strong pressure on external balances.

The growth of the foreign debt and the drop in international reserves, make the current coverage be less than 5%, meaning that the amount of the international reserves only pays 5% of the total foreign debt. By 2017, the country has declared default over most debt bonds.

The balance of payments remained negative during the period 2008-2018, with the characteristic feature of maintaining surplus trade balances, but capital outflows exceeded this surplus. By 2015, for the first time in 20 years, the third and the fourth quarters are shown with negative trade balances, mainly due to the fall in oil prices.

Figure 5 Trade Balance (US\$ Million)



Source: Central Bank of Venezuela

Table 1 Indicators | Labour

Labour			
Unemployment Rate	6.4	percent	Dec/2018
Employed Persons	15.011.108		Dec/2018
Unemployed Persons	1.018.421		Dec/2018
Population	32.98	Million	Dec/2021

Table 2 Indicators | GDP

GDP			
GDP Annual Growth Rate	-1.5	percent	Dec/2021
GDP	112	USD Billion	Dec/2021

Table 3 Indicators | Prices

Prices			
Inflation Rate	156	percent	Oct/22
Inflation Rate MoM	6.2	percent	Oct/22
Consumer Price Index CPI	5.654.207	million points	Oct/22
Food Inflation	158	percent	Oct/22
CPI Transportation	6.389.439.307	thousand points	Oct/22

Table 4 Indicators | Health

Health			
Coronavirus Vaccination Rate	134	doses per 100 people	Dec/22
Coronavirus Vaccination Total	37.860.994	doses	Dec/22
Coronavirus Cases	551.666	Persons	Feb/23
Coronavirus Deaths	5741	Persons	Jul/22

Table 5 Indicators | Money

Money			
Interest Rate	57.97	percent	Dec/22
Money Supply M0	13.93	VES Million	Dec/22
Money Supply M1	18.752	VES Million	Dec/22
Money Supply M2	18.806	VES Million	Dec/22
Money Supply M3	18.806	VES Million	Dec/22
Banks Balance Sheet	93.339.224	VES Thousand	Nov/22
Foreign Exchange Reserves	9.880	USD Million	Jan/23
Deposit Interest Rate	36	percent	Feb/23
Central Bank Balance Sheet	686.240.818	VES Thousand	Dec/22

Table 6 Indicators | Trade

Trade			
Balance of Trade	5.680	USD Million	Mar/19
Current Account	2.533	USD Million	Mar/19
Current Account to GDP	-2.1	percent of GDP	Dec/21
Exports	8627	USD Million	Mar/19
Imports	2947	USD Million	Mar/19
External Debt	0	USD Million	Dec/22
Gold Reserves	161	Tonnes	Dec/22
Crude Oil Production	669	BBL/D/1K	Dec/22
Foreign Direct Investment	105	USD Million	Mar/19
Terrorism Index	4.01	Points	Dec/21

Table 5 Indicators | Trade

Government			
Government Debt to GDP	241	percent of GDP	Dec/21
Government Budget	-4.5	percent of GDP	Dec/21
Credit Rating	11		Feb/23
Military Expenditure	0.4	USD Million	Dec/19
Corporate Tax Rate	34	percent	Dec/22
Personal Income Tax Rate	34	percent	Dec/22
Sales Tax Rate	16	percent	Dec/22
Social Security Rate	23	percent	Dec/22
Social Security Rate for Companies	17	percent	Dec/22
Social Security Rate for Employees	6	percent	Dec/22

Table 6 Indicators | Business

Business			
Industrial Production	-20.6	percent	Jan/19
Corruption Index	14	Points	Dec/22
Corruption Rank	177		Dec/22
Crude Oil Rigs	0		Jan/23

Table 7 Indicators | Consumer

Consumer			
Retail Sales MoM	-29.6	percent	Jan/19
Retail Sales YoY	-53.5	percent	Jan/19
Consumer Spending	3.819	VEF Million	Mar/19
Private Sector Credit	80.079	VES Thousand	Dec/22
Gasoline Prices	0.02	USD/Liter	Jan/23

Table 8 Indicators | Forecast -Markets

Forecast					
Markets	Actual	Q1/23	Q2/23	Q3/23	Q4/23
Currency	24.14	25	25.89	26.82	27.77
Stock Market (points)	26.440,01	25.005	23.542	22.166	20.867
Government Bond 10Y (%)	10.43	10.43	10.43	10.43	10.43

Table 9 Indicators | Forecast - Overview

Forecast					
Overview	Actual	Q1/23	Q2/23	Q3/23	Q4/23
GDP Annual Growth Rate (%)	-1.50				1.5
Inflation Rate (%)	155.80	70	50	40	40
Inflation Rate MoM (%)	6.20	1.5	2.1		3
Interest Rate (%)	57.97	60	60	60	60
Government Budget (% of GDP)	-4.50				-5
Corporate Tax Rate (%)	34.00				34
Personal Income Tax Rate (%)	34.00				34
Government Debt to GDP (% of GDP)	241.00				260

Source: Trading Economics / <https://tradingeconomics.com/venezuela/indicators>

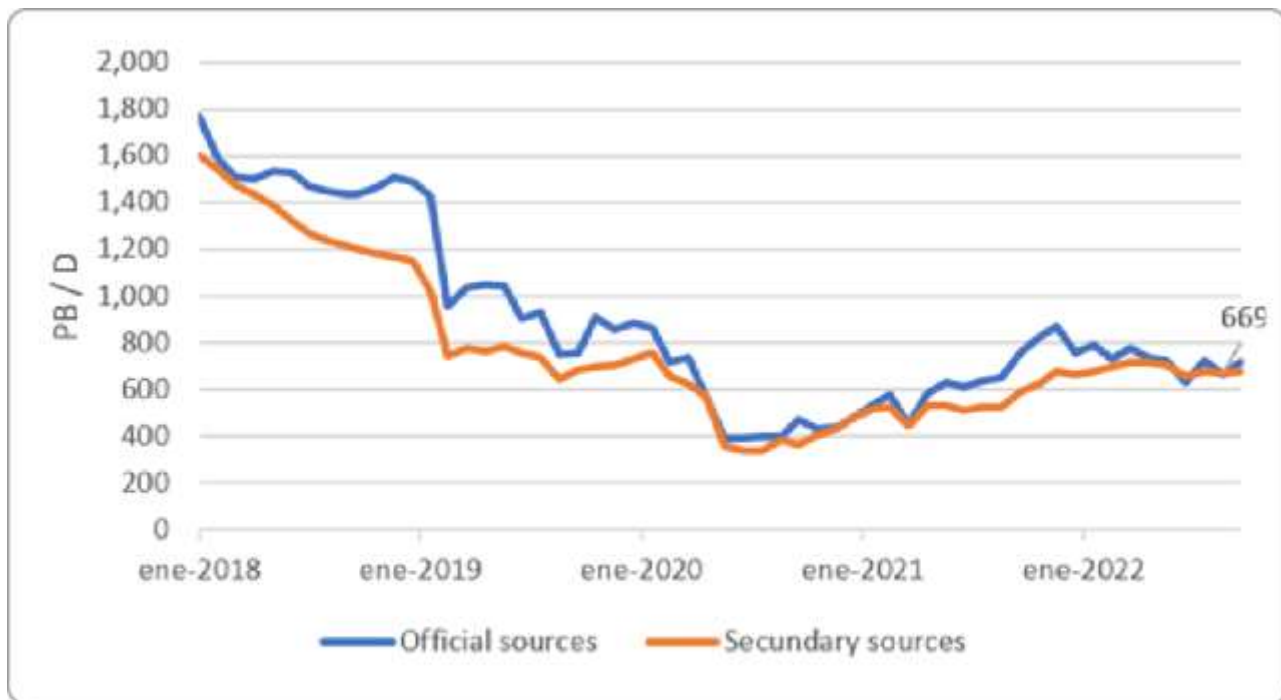
## General Characteristics

### Economic Crisis

The oil sector represents 95% of the nation's income, and as a consequence of its excessive dependence on oil exports, Venezuela in 2014, began to experience a slump in its economic activity due to the fall in oil prices. This is how it enters into a Balance of Payments deficit, hindering the importation of goods and services to meet the needs of the population.

By the date (2020) oil production was reduced to less than 400 thousand barrels per day, considerably decreasing the income of foreign currency and royalties from oil income.

Figure 6 Oil Production in Venezuela 2018-2022

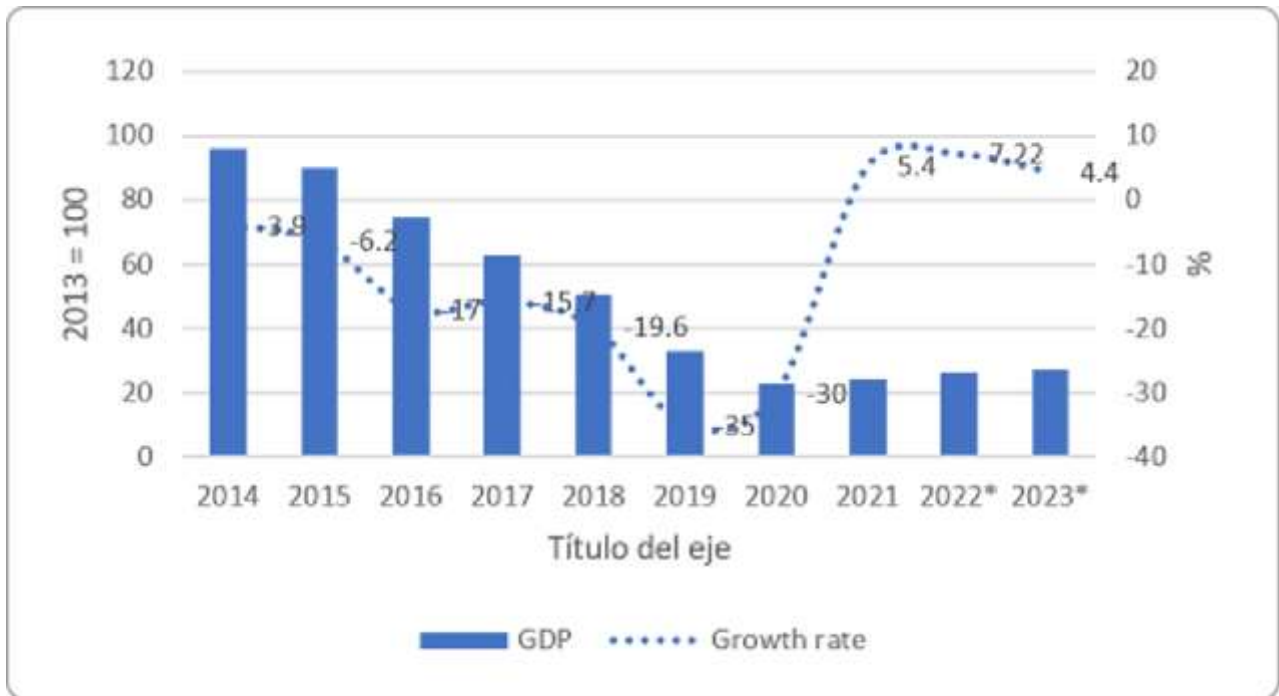


Source: OPEC.

To date, oil production has seen a slight improvement. After falling from 1.8 million PB/D in 2018 to 0.4 million PB/D, production has maintained an average of 0.7 PB/D. This fact is reflected in the country's economic growth. However, there is still a long time to go before recovering the levels of GDP.



Figure 7 GDP - Venezuela.



Source: : International Monetary Found.

## Changes in the Regulatory Framework

By the end of 2020, the Venezuelan government takes a set of measures aimed at reactivating the country's economy through different mechanisms. Faced with problems of inflation, falling production and shortage of products, it dictates measures in three particular sectors, the monetary system, the investment system and the import system, all measures aimed at promoting better conditions in the economic environment, both for domestic production and for foreign investors.

In order to stimulate foreign investment and generate investment opportunities, the National Executive has had to relax regulations in the national productive sector, giving way to stimulate foreign investment in the oil, mining, gas and electricity sectors, among others. Formerly public companies are privatized in order to achieve a socioeconomic boost and recover tax revenues.

## Monetary flexibility

Venezuela has been characterized for having restrictions on the exchange of foreign currencies in the national territory, being its official currency the Bolivar Sovereign (BES). However, since the hyperinflation period, the use of the US dollar as an exchange currency became more and

more frequent. The government, after the economic emergency decree, allows the exchange of foreign currency as an "escape valve" against the so-called "economic war". Thus, it changes its economic line and facilitates the exchange of foreign currency in the local market and frees the exchange rate of the dollar. The economy has experienced an increasing dollarization in commercial transactions, due to the loss of value of the official currency (the sovereign bolivar).

By 2021 Nicolás Maduro announces the opening of foreign currency accounts in local banks to facilitate the payment of goods and services; although this does not indicate a total opening of a dollarization process. Dollar accounts represent on average 49.3% of total deposits in all local banks by the end of 2020.

By 2022, hyperinflation in Venezuela has ended, but the country remains with high levels of inflation (above 100%). The deceleration of inflation and the pace of bolivar depreciation in the first ten months of 2022 required an active and intense foreign exchange intervention by the BCV. Between January and October 2022, the BCV sold a net US\$2.8 billion, three times the amount sold in the whole year 2021.

### **Decree of Exoneration in Customs Matters**

In Official Gazette No. 6,608, Decree No. 4,412 it is established the exoneration of import taxes, value added tax and the rate for determining the customs regime for the goods and sectors indicated in Chapter III of the Decree.

The validity for some sectors

- Telecommunications until 31-03-2021
- Quota until 30-04-2021
- COVID until 30-04-2021
- Automotive sector until 30-04-2021
- BK and BIT until 12/31/2021
- Full duty until 04-30-20-2021

Capital furniture, IT, telecommunications and tangible goods made by organs and entities of the national public administration to prevent the spread of Covid19 are exempted; likewise, electrical and electronic material is exempted for 90 days, and a tariff contingency regime is established for qualified goods indicated in Appendix IV of the decree.

Based on the modifications to the national regulatory framework, Venezuela is trying to position itself as an economically viable alternative through the aforementioned legal tools, where investment opportunities such as the following can be evaluated.

### **Special Economic Zones Law**

In the year 2022, the national government has created the Special Economic Zones Law in order to attract Foreign Direct Investment. These economic zones comprise a more flexible regulatory framework in order to facilitate production in certain areas.

The first five such zones are Paraguaná, in the state of Falcón; Puerto Cabello-Morón, in Carabobo; the state of La Guaira; Margarita, in Nueva Esparta, and the island of La Tortuga, which will begin to enjoy tax and customs incentives.

Due to the geographical characteristics of these five areas, the industries that will benefit are associated with the tourism sector (Margarita and La Tortuga) and the international trade sector (Paraguaná, Puerto Cabello and La Guaira). Investments related to the tourism services sector will have opportunities in these areas.



# Industry Framework

## Historical Background

Cotton is a natural fiber that grows in tropical areas, and is one of the most traded fibers in the world, its demand depends on textile production and at this historical moment it is competing with synthetic fibers.

According to the FAO, an estimated 100 million family farmers in 80 countries depend directly on the cotton industry. In 2021, world cotton production was valued at around US\$50 billion, while world trade was valued at US\$20 billion.

Venezuela, despite being a tropical country, has little share of the world cotton market. From being an agricultural country during the 19th century, it developed an oil industry throughout the 20th century, becoming one of the world's main producers and exporters, leaving aside investments in the agricultural sector.

After the growth of the oil industry, Venezuela promoted structural reform processes that covered the economy as a whole and the agricultural sector in particular. Through the import substitution model, it managed to create an incipient industry with textile companies such as Telares Palo Grande and Telares Maracay, among others, but the macroeconomic environment kept the sector away from international markets.

It could be said that Venezuela has been an importing country to satisfy the needs of the population, both in terms of textile fibers and finished products such as clothes, carpets and other derivatives. This trend indicates that the Venezuelan textile industry is not very competitive.

In 2001, the National Land Institute came into force and a policy of land democratization was initiated, supported by the Land and Agrarian Development Law.

At present, the textile sector has tried to satisfy the country's demand, but has found itself faced with a decrease in the installed capacity of the companies in operation, and must compete with the subcontracting of production processes in different parts of the world.

### Sector characteristics

Cotton is classified according to color, materials and ginning preparation. Worldwide, the value given to cotton is determined by color and the percentage of materials it may contain in production. The main producing countries are: India, China, USA, Brazil and Pakistan. Together they account for more than three quarters of world production.

The main factors in the production process are:

#### 1. Inputs<sup>1</sup>

- Natural textile fibers: natural origin, cotton, wool, linen, chestnut. Cotton is the most widely grown because it is produced in a warm climate and on slightly clayey soil.
- Synthetic textile fibers: created chemically by synthesis from hard coal and petroleum.

#### 2. Spinning

- Cotton yarns
- Man-made yarns
- Synthetic yarns

3. Manufacture of fabrics (weaving) can be flat or knitted. Flat fabrics are for making garments and knitted fabrics are for making sweaters or flannels and are classified as follows:

- Flat knitted fabrics.
- Warping: direct or high performance and the warping of sashes.
- Gumming: the best known, cylinders or drums and those with an air chamber.
- Lining.
- Tucking and knotting.
- Tying and knotting: manual or automatic.
- Weaving.

#### 4. Knitted fabric

- End knitted fabric: forms stitch with one yarn only.
- Warp knitted fabric: self-feeding of each needle and they all make stitches at the same time after an operation called warping.

In Venezuela, cotton is grown in the states of greatest territorial extension, Guárico, Apure, Portuguese, Anzoátegui, Monagas and Barinas. This is the most commercially important fiber, but for climatic reasons it is grown as a short fiber, which makes it difficult to produce the thin yarn needed for the manufacture of fine poplins, which are required for making clothes.

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<sup>1</sup> They are classified into 2 categories: 1. Condensation polymers, which are the oldest, with polyesters being the most important. 2. Addition polymers such as polyvinyl fibres.

The following table summarizes the cotton sowing seasons in Venezuela, in the regions described above, which have historically been dedicated to the production of this important crop.

The cotton sowing seasons in Venezuela.		
State	Mechanised cotton sowing system	Floodplain cotton sowing system
Portuguesa	July - August	
Barinas	August - September	
Apure	July - August	
Guárico	June - July	October - December
Monagas		
Anzoátegui		

**SOURCE:** Ministerio del Poder Popular para la Agricultura y Tierras

Cotton plantations in Venezuela have been developed mainly in floodplains, in this case, the Orinoco River and its tributaries.

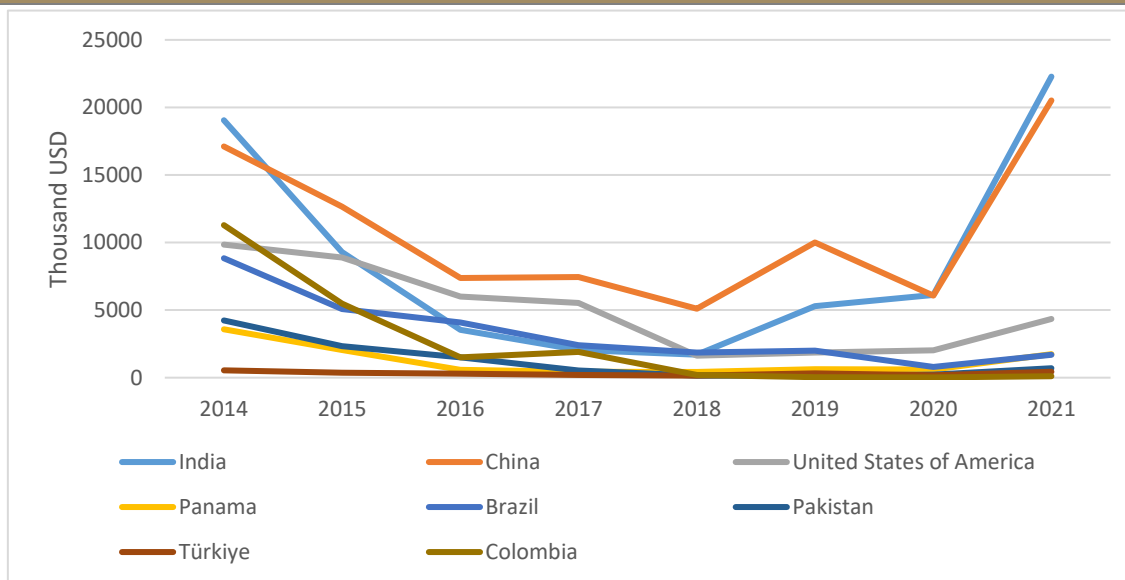
In 2009, an agreement was signed between the People's Republic of China and the Bolivarian Republic of Venezuela to promote cotton production in the Orinoco River floodplains, specifically in the south of Guárico State.

Another cotton sowing system in Venezuela, called associated sowing, maize-cotton, has been developed mainly in the highlands of Apure state, as well as in Sabaneta and Santa Rosa in Barinas state. A representative sample of farmers in the cotton programme of the Cotton Growers' Association (ANCA) indicates that 71% of the farmers in this area grow cotton under the associated maize-cotton system and the rest in mechanized form under monoculture.

Analyzing cotton cultivation in Venezuela, we can see that in 1998 the harvested area was 37,191 hectares, which decreased to the point that by 2010 the harvested area was only 10,446 hectares, despite the fact that there was a production promotion agreement with China. It can be said that production decreased by almost 60% due to the fact that production was concentrated mainly in flood-prone areas (Guárico State).

Since 2014, we can see how Venezuela has increased its trend of importing raw materials due to bilateral agreements with India and China. India is Venezuela's largest supplier by 2021, transporting 22,279 tonnes of cotton and its derivatives, followed by the People's Republic of China with 20,518 tonnes per year.

Venezuela's Cotton Suppliers.

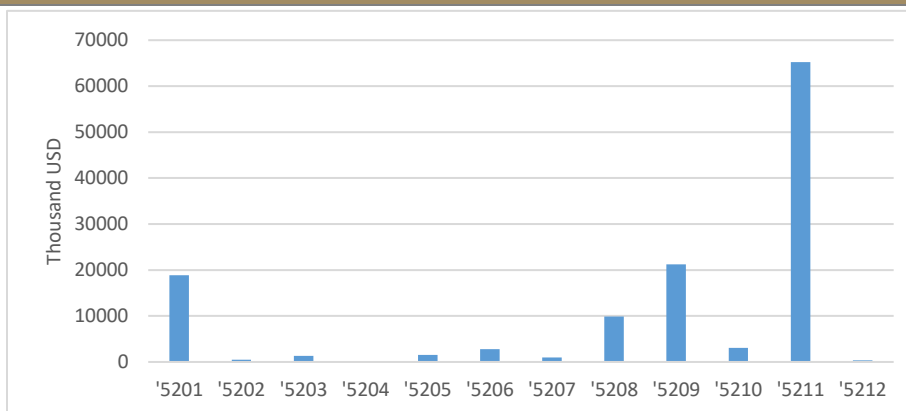


Source: www.trademap.com 2022

According to FAOSTAT for 2020, Venezuela has a harvested area of 1,959 hectares, with a yield of 12,231 hg/ha, and a production of 2,396 tons of seed cotton. The yield is 1.2%.

Between 2017 and 2021 it is mainly supplied with: 1) cotton fabric with cotton content less than 85% by weight mixed with synthetic fibers weighing more than 200 g/m<sup>2</sup> (HS 52.11) with a value of 65 million USD, 2) unsorted and uncombed cotton (HS 52.01) with a value of 18.8 million USD and, 3) cotton fabric with a content greater than or equal to 85% by weight, weighing more than 200g/m<sup>2</sup> (HS 52.09) with an amount of 21.2 million USD.

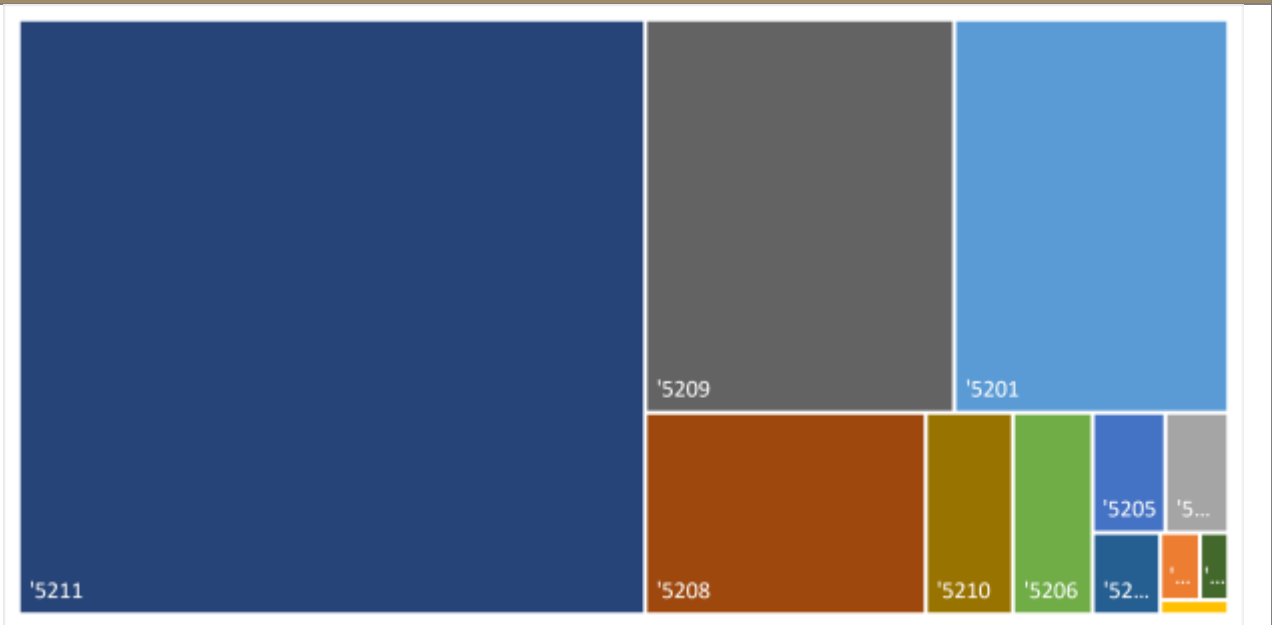
Venezuela's Cotton Imports 2017-2021 (Detailed 4 digits of HS)



Source: www.trademap.com 2021



## Venezuela's Cotton Imports 2017-2021 (Detailed 4 digits of HS)



Source: [www.trademap.com](http://www.trademap.com) 2021

## Cotton producers in Venezuela

Cotton production in Venezuela is coordinated by a socially owned company called "Algodones del Orinoco". Initially created as Empresa de Producción Social "DESMOTE DE ALGODÓN" attached to the Ministry of Basic Industries - MIBAM, published in Official Gazette No. 38. 345 dated 28-12-2005 with the aim of creating, in agreement with the producers and inhabitants of Cabruta and neighbouring areas of the Apure-Orinoco axis, a company with an installed capacity of 45,000 MT/year for the processing of raw cotton and raw material for the textile agro-industry.

In April 2011 it was attached to the Vice-Presidency of the Republic, according to Official Gazette No. 39.660 dated 26-04-2011, with the instruction to create a programme for the Development of Downstream of the Textile Chain and Socialist Management Model, with the proposal of a Textile Agro-industrial Agro-productive linkage, changing its name to Socially Owned Company Algodones del Orinoco, C.A.

The Downstream Development Project of the textile chain on April 15, 2011, began the phase of construction and execution of civil works, procurement, installation and commissioning of machinery for a Textile Plant, executing civil works of industrial urban planning and infrastructure, the construction of 26,000 m<sup>2</sup> of warehouses, works these aimed at the implementation of spinning and textile machinery, under international procurement agreements coming mostly from China, and integrating cutting-edge technologies financed by the Chinese-Venezuelan Joint Fund.

Since its creation and for the 2011/2012 cycle, the association has planted 7,500 hectares of cotton in the Cabruta-Bajo Apure area, and markets the cotton fibre jointly with INAPYMI (Institute for the Development of Small and Medium Industry).

For the year 2013, expenses focused on the Cotton, soybean and corn oil extraction plants with a processing capacity of 200MT/day of seeds and the production of 2,800MT/year of refined oils.

It is also worth mentioning that apart from "Algodones del Orinoco" there is the "Asociación Nacional de cultivadores Agrícolas" (ANCA), located at Avenida Los Pioneros, Sector San Vicente, Edif. Anca, Piso 1, Ofic. Araure Edo. Portuguesa, Venezuela. This association was created in 1945, and was created as a non-profit association in favour of the producers, due to the fact that the industrialists paid little to the small producers. At present, it supports the agricultural development of the country, and is present in the states of Yaracuy, Lara, Cojedes, Portuguesa and Barinas, serving producers with land from 7 hectares to 300 hectares.

It also has agreements with the Faculty of Agronomy of the UNIVERSIDAD CENTROCCIDENTAL LISANDRO ALVARADO (UCLA), based in Barquisimeto, Lara state, to carry out research for the improvement of crops throughout the region.

### Legal Structure of the Sector

Cotton production and other agricultural practices are governed by The INTI is an autonomous entity attached to the Ministry of People's Power for Agriculture and Lands (MAT), whose primary task is to contribute to rural and agrarian development through strategic, democratic and participatory planning of land tenure. This is established in the Decree with Rank, Value and Force of Law on Land and Agrarian Development promulgated by the then President Hugo Chávez Frías on 10 December 2001, and converted into Law of the Republic through partial modifications in 2005 and 2010.

Cotton production in Venezuela is governed by the Law of Land and Agrarian Development in its latest reform, which establishes the basis for sustainable rural development, and affects the use of all public and private land for agricultural use.

Since the promulgation of the Constitution of the Bolivarian Republic of Venezuela (CRBV, 1999), the Venezuelan state has decided, in accordance with articles 305 and 306, to develop sustainable agriculture, in which GMOs are considered to be contrary to the constitution.

However, since Venezuela joined Mercosur in 2012, the country has had to adopt the regulatory framework of the member countries: Argentina, Brazil, Paraguay and Uruguay, which implies that the use of genetically modified organisms, including GM seeds, is allowed.

In Venezuela, the textile sector is not fully developed. But there is a growth opportunity in this sector that requires a low annual investment but generates high performance in the country, in job creation and in the finished products. However, the sector is not articulated enough to develop joint activities that benefit all related companies due to lack of access to information, and thus relying on government data which is not updated regularly. This affects the functioning of trade associations because there is also general distrust amongst entrepreneurs in sharing their self-produced information. The textile sector is highly dependent on imports, so in a situation where the supply of foreign currency depends on the Venezuelan government,

the exchange controls that currently rule the Venezuelan economy, creates a highly uncertain atmosphere for the sector. Finally, there is a scope to venture into the sector as there is no leading company in the sector, although there are a few companies which compete and participate. And the size of domestic market is such that there is scope for new companies with higher technological level to play an active role in the textile market.

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