

capital equipment will be needed for a number of hydroelectric, telecommunication and transportation projects.

Although there should be some increase in demand for imports of manufactured goods (36 per cent of total imports) and chemicals (11 per cent), this is where the impact of import substitution efforts will be more strongly felt over the medium term. Imports of foodstuff and medical equipment are likely to remain strong because of continuing rapid growth in population and escalating demands for better quality products and services.

Generally, joint venture opportunities exist in industries earmarked for top export priority. This includes industrial chemicals, metal-working and capital goods used by the petroleum, electrical energy, transportation and construction sectors, as well as the pulp and paper industry.

## Foreign Investment

Venezuela is a member of the Association for Latin American Integration (ALADI), the Latin American Economic System (SELA) and the Andean Pact in which there are several integration agreements and regional programs.

Foreign investment in the Andean Pact countries (Venezuela, Colombia, Ecuador, Peru, Bolivia) is to be carried out under the terms of "Decision 24" of the Cartagena Agreement.

New foreign investments have to be approved and supervised by the Superintendency of Foreign Investments (SIEX), the Minister of Energy and Mines or the Superintendents of Banks and Insurance (depending on the sector of investment). All contracts for the importation of technology and use of patents and trademarks must also be approved and registered by SIEX. Excluded from the obligation to register are foreign investments that have contracts with the government, those considered to be of national interest or for national defense, and those in the areas of tourism and construction.

Profits of up to 20 per cent annually of the approved foreign investment may be remitted abroad.

New foreign investments are not permitted in areas reserved to national enterprises, public utility enterprises, television, radio, newspapers, professional services in consulting, consulting design, and survey and studies that require the participation of professionals whose practice is regulated by national laws, unless they are enterprises that contribute technology for the development of the country.