

Venezuelan Government Takes Over Kellogg Company’s Operations in the Country

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Category : Business

Unlocking Word Meanings

Read the following words/expressions found in today’s article.

- 1. **shortage** / ˈʃɔːtɪdʒ / (n) – the condition wherein there is a lack of something
Example: The country had a rice **shortage** last month.
- 2. **unlawful** / ˌʌnˈlɔːfəl / (adj) – illegal or not acceptable to the law
Example: Selling alcoholic beverages and tobacco products to minors is **unlawful**.
- 3. **in the hands of (someone/something)** / ɪn ðə hænds ʌv / (idiom) – under the control of someone
Example: I decided to leave my business **in the hands of my brother** because I believe in his skills.
- 4. **halt** / ˈhɔːlt / (v) – to stop
Example: We will **halt** all activities during the fire drill.
- 5. **undertake** / ˌʌnˈdərˈteɪk / (v) – to accept a task or a responsibility
Example: He will **undertake** the family business when his father steps down next month.

Article

Read the text below.

The Venezuelan / ven.əˈzweɪ.lən / government has seized control of Kellogg Company’s operations in the country.

Last May, the US-based food-manufacturing company announced the withdrawal of its cereal operations from Venezuela / ven.əˈzweɪ.lə / because of the country’s heightening economic crisis. Raw material **shortage** and the government’s control over product prices in the country are the cited reasons behind this crisis.

Venezuelan President Nicolas Maduro claimed that the plant’s shutdown was **unlawful**. Although President Maduro did not provide further explanation, the country has begun taking legal action against the company’s executives. The government also left the company **in the hands of** the workers in order to continue producing for the citizens.

In response to this, Kellogg Company threatened the country’s government with a possible lawsuit. It asserted that the government is producing and selling its products without its consent.

Nevertheless, the company is still considering to revive its operations in Venezuela if the condition in the country improves in the future.

This is not the first time that the Venezuelan government took over the operations of a US-based company. In 2014, the government temporarily seized control of two manufacturing plants owned by The Clorox Company, a cleaning product manufacturer. Earlier in the same year, the company **halted** its operations in the country to avoid foreseen significant losses resulting from the country’s economic situation and supply problems.

President Maduro justified the government’s action, saying that it is only natural for the working class to **undertake** the operations of an abandoned business.

Viewpoint Discussion

Enjoy a discussion with your tutor.

Discussion A

- Do you support the Venezuelan government’s seizure of Kellogg Company? Why or why not?

- If you were the owner of Kellogg Company, what would convince you to revive your operations in Venezuela?

Discussion B

- What do you think would happen if all foreign companies left Venezuela?

- If you were the owner of a company, in which country would you choose to operate? Why?