



सत्यमेव जयते

EMBAJADA DE LA INDIA
CARACAS

MARKET SURVEY





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Business Options in the
Bolivarian Republic of Venezuela

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Profile of the Bolivarian Republic of Venezuela



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 Km² and a continental platform of 98,500 Km² 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. The existence of

approximately 9 natural regions has been determined, 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.



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.

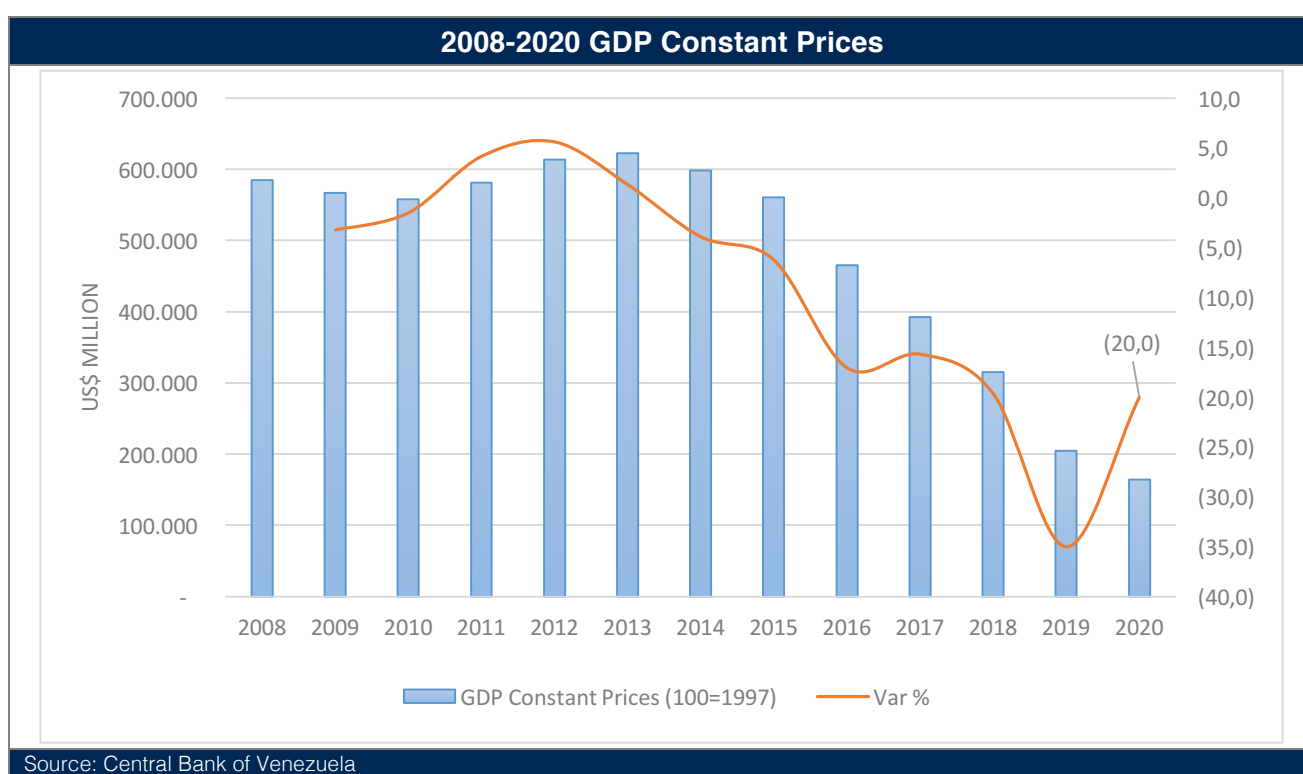
Dynamics

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

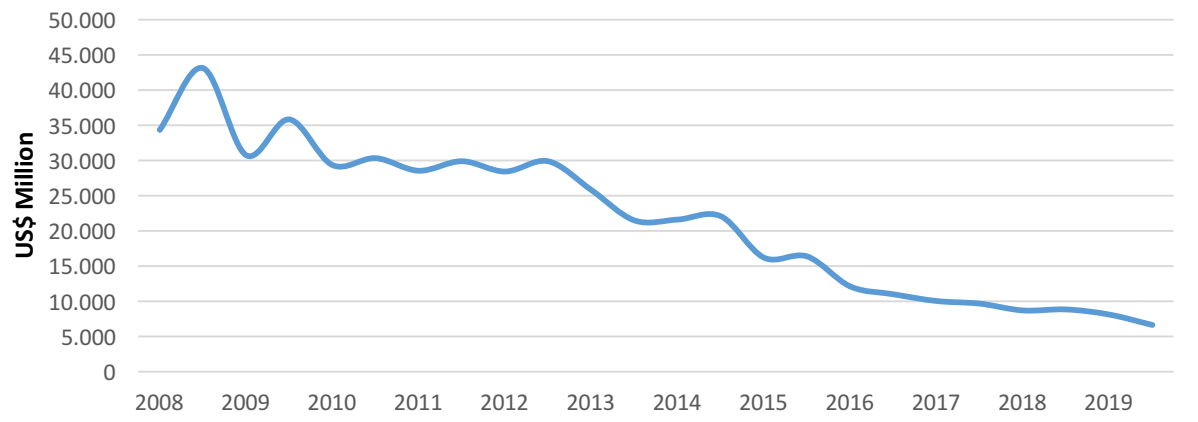
According to the data submitted by the Venezuelan National Bank (or Banco Central de Venezuela - BCV), the Venezuelan economy shows deep trouble with regard to economic growth, with high rates (5%) in 2012, while a sharp drop occurred since 2014 and the economy is now contracting for the seventh year 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 prices and the lack of investment has reduced the external revenues for all

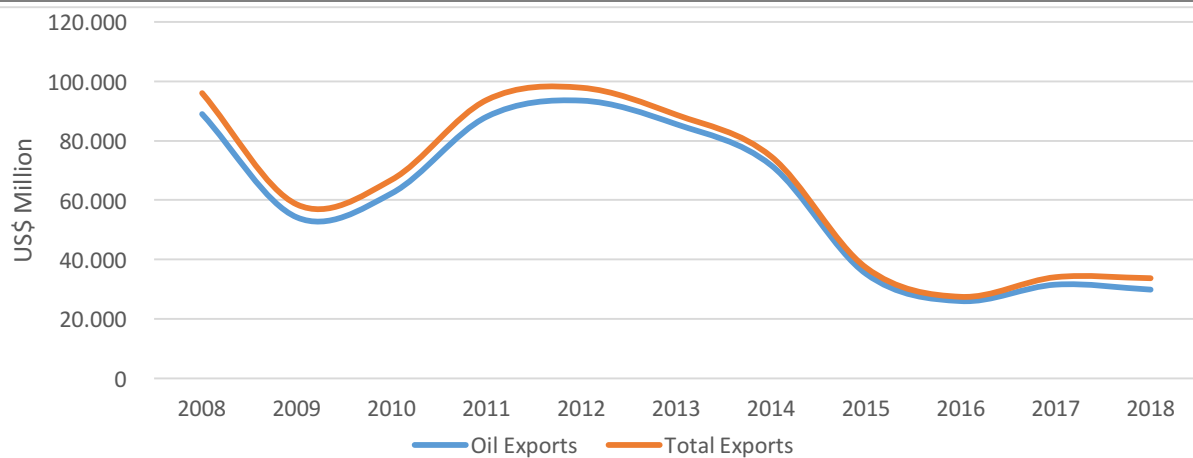
the Venezuelan economy. Additional U.S. sanctions have discouraged foreign investment in the oil sector.

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



Source: Central Bank of Venezuela

2008-2018 Oil Sector Exports



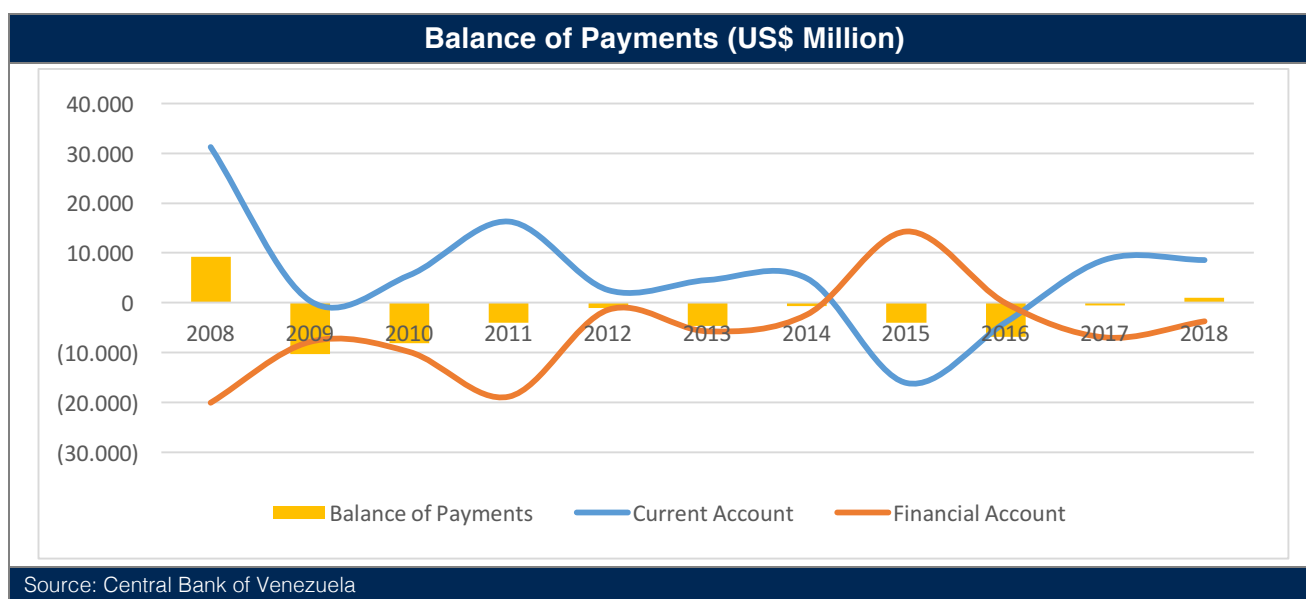
Source: Central Bank of Venezuela

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.

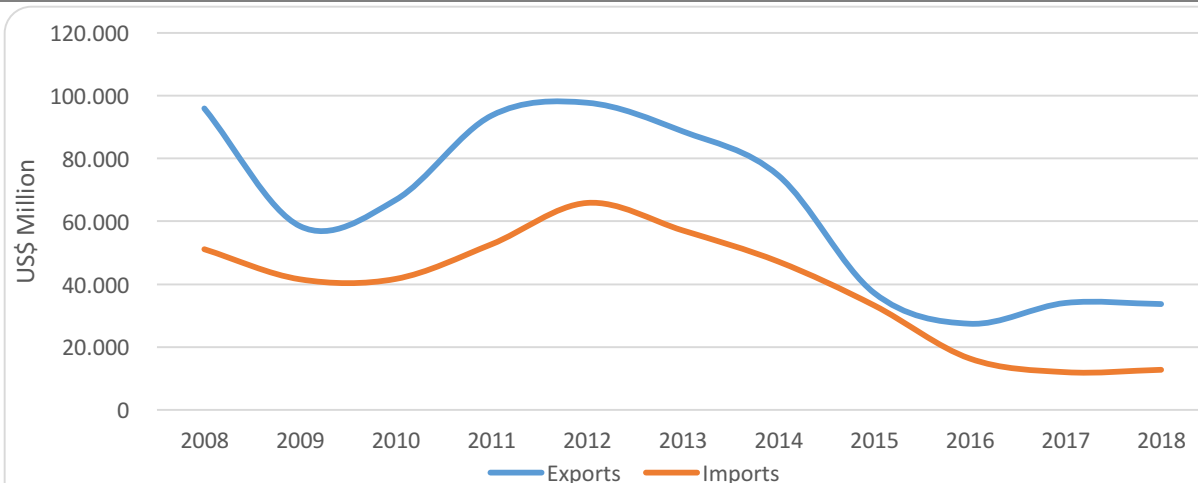
In the period 2008-2018, international reserves fell to less than a quarter, reaching lower levels similar to those experienced 40 years ago. This creates a strong pressure on external balances.

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.



Trade Balance (US\$ Million)

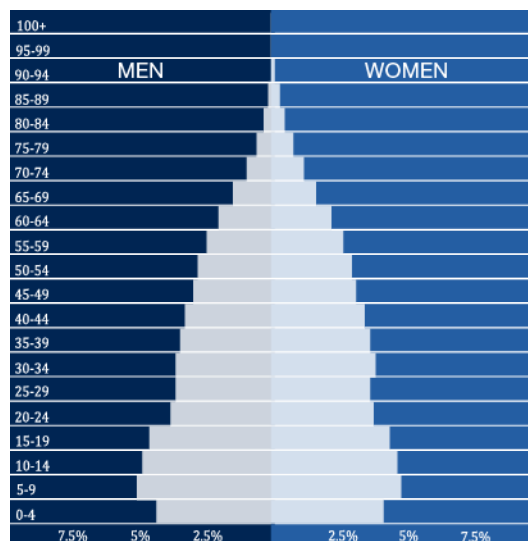


Source: Central Bank of Venezuela

MAIN SOCIAL AND ECONOMICS INDICATORS OF
THE BOLIVARIAN REPUBLIC OF VENEZUELA

INDICATOR	VALUE	LAST YEAR REGISTERED	VARIATION RESPECT TO LAST YEAR
GOVERNMENT			
Government Budget (%PIB)	-29.9%	DEC/2019	0%
UNEMPLOYMENT			
Unemployment Rate (%)	6.4%	DEC/2018	-0.9%
Employed Persons	15,011,108	DEC/2018	295,590
Unemployed Persons	1,035,238	DEC/2018	-147,666
Minimum Wages (BSF)	5,196,000	MAY/2020	-
Population (Total persons)	32,220,000	DEC/2019	390,000

Population Pyramids



Unemployment Rate

93.65%

DEC/2018

0.99%

TAXES

Corporate Tax Rate (%)

34%

DEC/2020

0%

Personal Income Tax Rate (%)

34%

DEC/2020

0%

Sales Tax Rate (%)

16%

DEC/2020

4%

Social Security Rate (%)

24.5%

DEC/2019

-0.5%

Social Security Rate For Companies (%)

19%

DEC/2019

0%

Social Security Rate For Employees (%)

5.5%

DEC/2019

0%

CONSUMERS

Consumer Confidence (points)

66 points

JUN/2020

8 points

Retail Sales Mom (%)

12.55%

JAN/2019

-20.9%

Consumer Spending (Millions VEF)

3,819

MAR/2019

-1238

Private Sector Credit (Millions VEF)

59,180,415.50

AUG/2020

13,175,869,90

BUSINESS

Industrial Production (%)

-20.6%

JAN/2019

26.40%

Competitiveness Index (Points)

41.83

DEC/2019

2.0

Competitiveness Rank

133

DEC/2019

+6

Ease of Doing Business

188

DEC/2019

0

Changes in Inventories (VEF Million)

-543

MAR/2019

365

MONEY

Interest Rate (%)

38.15%

NOV/2020

-0.77%

Banks Balance Sheet (VEF Million)

1,830,451,445.50

AUG/2020

384,806,356.27

Foreign Exchange Reserves (USD Million)

6,386

DEC/2020

59

Central Bank Balance Sheet (VES Thousand)	19,285,269.44	SEP/2020	4,714,390.8
PRICES			
Inflation Rate Mom (%)	27.90	SEP/2020	+3.2
Consumer Price Index CPI (points)	79,061,685,127	AUG/2020	15,653,054,545
Food Inflation (%)	1692.50	SEP/2020	-354,4
CPI Transportation (points)	79,988,086,540.40	SEP/2020	16,704,369,856
Core Inflation Rate (%)	60.30	DIC/2013	-0.60
Core Consumer Prices (points)	594.30	DIC/2013	12
Inflation Rate (%)	1813.10	SEP/2020	-363,9
GDP			
GDP Annual Growth Rate (%)	-26.8	MAR/2019	-6.6
GDP (USD Billion)	482.36	DEC/2014	111.35
Gross Fixed Capital Formation (VEF Million)	347	MAR/2019	-192
GDP per capita (USD)	14,025.36	DEC/2014	-696.5
TRADE			
Balance of Trade (USD Million)	5,680.00		793
Current Account (USD Million)	2,533.00		487
Current Account to GDP (%)	9.80		1
Exports (USD Million)	2,497.00		-873
Imports (USD Million)	8,627.00		370
External Debt (USD Million)	0.00		0
Gold Reserves (Tonnes)	161.22		0
Crude Oil Production (BBL/D/1K)	441.00		7
Foreign Direct Investment (USD Million)	105.00		-92
Terrorism Index	3.66		-0.44

SOURCE: Tradingeconomics. Available at: <http://www.tradingeconomics.com/venezuela/indicators>

Business Framework



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 this date, 2020, oil production has been reduced to less than 400 thousand barrels per day, considerably decreasing the income of foreign currency and royalties from oil income.

As a consequence of the crisis it is suffering, Venezuela is facing a GDP decrease of 25.5% in 2019, which means an accumulated contraction of 62.2% with respect to the 2013 level. According to a report by ECLAC (Economic Commission for Latin America and the Caribbean) Venezuela had a 30% drop in its GDP for 2020, almost double of what it was estimated before COVID19 and it is projected that by 2021 it will have a 7% drop; placing it according to figures from the International Monetary Fund close to economies such as Haiti, Cameroon, among others.

Changes in the Regulatory Framework

By the end of 2020, the Venezuelan government initiated a set of measures aimed at reactivating the country's economy through different mechanisms. Faced with the problems of inflation, falling production and shortage of products, it dictated 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.

By 2020, the lack of agreements and the tightening of sanctions by the United States, added delays to economic policies on the part of the Executive, and opened a window to explore other forms of economic mobility, stimulating all kinds of imports; in parallel, it began to make changes in its regulatory framework using the National Constituent Assembly of 2017.

Monetary flexibility

Venezuela has been characterized for having restrictions on the exchange of foreign currencies in national territory, its official currency being 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-named "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.

Anti-blockade law

In response to sanctions imposed by the United States in relation to the commercial activities that transnational companies may have with Venezuela, the National Constituent Assembly published an Official Gazette by decree No. 6,538, entitled the Constitutional Anti-Blockade Law for National Development and the Guarantee of Human Rights.

Its main objective is to establish a special framework that provides the public power with legal tools to reduce the economic effects of unilateral coercive measures against the Bolivarian Republic of Venezuela.

It is of public application, its provisions will be acted on by all the public powers, as well as by public and private natural and juridical persons throughout the national territory. Thus, this law will be applied in conjunction with what is dictated by the National Executive within the framework of the legislation on the economic emergency, and if the National Executive deems it necessary, it may authorize the disapplication of certain legal or sub-legal norms, for specific cases, based on reports issued by the competent ministries in relation to the matter.

The law contemplates:

- The incorporation of all productive acts to national development.
- Protection of strategic sectors.
- Diversification of financial mechanisms (use of cryptocurrencies).
- Guarantees for investment.
- Stimulus for the Social Initiative.

The law is a tool to generate a legal framework for business between Venezuela and its main allies; in addition, the Executive is granted powers to lift restrictions on commercialization, according to Article 28 of the law; including oil, gas, fuels and strategic minerals.

It also generates other mechanisms to generate opportunities for economic reactivation, expanding the ease of entry of imports through fiscal mechanisms, specifically in the customs area through the following decree.

Decree of Exoneration in Customs Matters

In the Official Gazette No. 6,608, Decree No. 4,412 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 is established.

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 equipment and technology, 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.

Business Opportunities



Pipeline maintenance company to optimize the water system in Venezuela

Context

It is estimated that Venezuela has 1,325 km³ of fresh water and is categorized as one of the countries with the largest water reserves in the world; however, as of 2013, plans to rationalize water consumption in the country became effective, due to a drought crisis, which at the time justified the low water levels in the main reservoirs; later the crisis for the access to water was accentuated due to the fact that most of the control and distribution infrastructure was built between 1940 and 1995, and up to the present they have not received the adequate maintenance; the main dams not only control the water and its distribution, they also supply energy to the whole country.

To the current date Randy Rodriguez is the president of the parent company of the drinking water and sanitation company Hidrológica de Venezuela (HIDROVEN), founded on May 24, 1990 after the dissolution of Instituto de Obras Sanitarias (INOS) and began to operate together with 10 state water companies; later it became attached to the Ministry of Popular Power for Eco-socialism and Waters.

Subsidiaries of HIDROVEN	
SUBSIDIARY	COVERAGE
HIDROCAPITAL	Capital District, Miranda and La Guaira states
HIDROSUROESTE	Táchira state
HIDROCARIBE	Sucre, Anzoátegui and Nueva Esparta states
HIDROCENTRO	Aragua and Carabobo states
HIDROLAGO	Zulia state
HIDROPAEZ	Guárico state
HIDROLARA	Lara state
HIDROANDES	Barinas and Trujillo states
HIDROBOLIVAR	Bolívar state
HIDROFALCON	Falcón state
HIDROLLANOS	Apure state
HIDROPORTUGUESA	Portuguesa state
CVG-GOSH	Amazonas and Delta Amacuro states
AGUAS DE MONAGAS	Monagas state
AGUAS DE YARACUY	Yaracuy state
AGUAS DE EJIDO	Mérida state

Source: <http://www.mppp.gob.ve/>

A report by the Venezuelan Society of Hydraulic Engineering states that an adequate water system depends on four fundamental pillars

1. Existence of water

2. Infrastructure
3. An electrical system to support it
4. A company that distributes it

Based on the above mentioned facts, the infrastructure shows a lack of maintenance in the piping system of the country, and this has as a consequence breakages and explosions in the pipes; it also influences the mixture between drinking water and sewage water; the supply depends on a pumping system, and thus it is subject to the national electric system.

Objective

To offer to the Venezuelan state a company that will maintain the infrastructures, optimizing the distribution of the water system.

Contributions

- The optimization of the water distribution service will allow HIDROVEN's subsidiaries to manage, with the permission of the executive, a tariff liberation and generate a greater return on investment.

Regulatory Framework

On April 13, 2018, the Regulation of the Water Law was published in the Official Gazette Number 41.377, Decree N 3.367. It was determined that HIDROVEN's subsidiaries would have now the permission of the national executive to the distribution, maintenance and tariffs referring to the water service.

Due to the crisis that HIDROVEN and its main subsidiaries are going through due to the lack of budgetary finance for the maintenance of its infrastructure, a window of opportunity is opened through the Anti-Blockade Law that allows companies to obtain concessions in the main companies of the country to promote their development and better operation.

Satellite internet service company

Context




Based on studies conducted by the WeAreSocial.com Organization, Hootsuite.com, and Datareportal.com in their 2018 report, Venezuela has a population of a little over 32 million people of which


- 60% have internet access
- 10 million connect from their phones
- 18 million are active on social networks (Instagram, Facebook, Twitter).

Venezuela is positioned as the sixth country in Latin America that consumes most internet, with an approximate interaction of 7 to 9 hours per day in different platforms. In spite of the economic conditions that the country is facing, the trend of electronic commerce - that has been positively affected by the COVID19 restrictions - is increasing; users are increasingly inserted in the digital labour market and online academic interactions, so they demand a service with optimal conditions.

Internet access conditions in Venezuela are unstable, according to data from the Economic Commission for Latin America and the Caribbean (ECLAC), the service has deteriorated in recent years, the quality of navigation in Venezuela has fallen 0.30 Mbps, making it the worst internet access in the region.

Companies offering satellite internet in Venezuela

Company	Services	Download / Upload		Prices (USD)
	VSAT satellite Broadband	100 Mbit/s	100 Mbit/s	By demand
	SES4- Internet over Africa, Europe and Americas	0.5-2 Mbit/s	128-512 kbit/s	By demand
	Mobile satellite Broadband BGAN	32-492 kbit/s	32-492 kbit/s	2.91 USD
	Businesscomm's dedicated Network	10 Mbit/s	10 Mbit/s	By demand
	BusinessCom VSAT	512 kbit/s	128 kbit/s	By demand
	Satellite Internet Access by Businesscom	64 kbit/s	64 kbit/s	By demand
	C- Band Packages	0.5-2 Mbit/s	128-512 kbit/s	120\$ to 4800\$

	Ku- Band Packages Residential Small Business	0.5- 2 Mbit/s	128- 512 kbit/s	110\$ to 4400 \$
	OneWeb BroadBand Satellite	512 kbit/s	128 kbit/s	By demand

Source: <https://isp.today/es/list-of-all-services/VENEZUELA>

Companies offering satellite internet in Venezuela

Company	Services	Download / Upload		Prices (USD)
	Broadband Limited 10Mb	10 Mbit/s	768 kbit/s	By demand
	Corporative 8M Unlimited	8 Mbit/s	2 Mbit/s	1845\$
	Corporative 10M Unlimited	10Mbit	2 Mbit	2213\$
	Corporative 4M Unlimited	4	2	1377\$
	Broadband Unlimited 2Mb	2 Mbit/s	384 kbit/s	By demand
	Broadband Limited 1Mb	1 Mbit/s	128 kbit/s	50\$
	Corporative 1M Unlimited	1 Mbit/s	1Mbit/s	988\$
	Prepaid Aba	1Mbit/s	512 kbit/s	6.60 \$
	Unlimited Prepaid Aba	1 Mbit/s	512 kbit/s	42,30\$
	Plan Veloz	1 Mbit/s	128 kbit/s	By demand
	Plan Ultra	512 kbit/s	128 kbit/s	By demand
	IFX network Unlimited	512 kbit/s	128 kbit/s	8\$ to 80,65\$
	Corporate by IFX Network	512 kbit/s	128 kbit/s	9984\$
	Corporate Unlimited by IFX Networks	512 kbit/s	128 kbit/s	22308\$

Source: <https://isp.today/es/list-of-all-services/VENEZUELA>

The state-owned company CANTV is positioned as the largest Internet service provider in the market, with 69% of subscribers, followed by INTER with 8.8%, Digitel 8.7%, Movistar 6.8%, and Movilnet 4.6% in telephone Internet service.

Objective

To offer an alternative satellite Internet service to companies and individuals in order to optimize the online interaction of users.

Contributions

Economic and social development that translates into employment opportunities for users, allowing a higher return in relation to the price of the tariffs.

Regulatory Framework

The Organic Law of Telecommunications published in Official Gazette No 39,610 of February 7, 2011 establishes in its articles 104 and 105 to grant by direct award, concessions related to portions of the radio electric spectrum; interested parties must make the corresponding request to the National Telecommunications Commission and comply with the legal, economic and technical requirements in accordance with the law; subsequently they will be published in a public list by the National Telecommunications Commission (CONATEL) as authorized operators in its official web page.

Company to promote renewable energies in areas with energy deficits

Context

The demand for electricity in Venezuela has grown rapidly in the last decade, generating the need to expand generation capacities; most of the energy is of hydroelectric origin and comes from the Gurí, Macagua and Caruachi reservoirs in the State of Bolívar. For the year 2019, the national electric system (SEN) has a total installed generation capacity of approximately 34,383 MW distributed as follows:

- Thermoelectric Park 17,985 MW (52.4%).
- Hydroelectric Power Plant 16,228 MW (47.3%)
- Wind Farm 125 MW (0.4%) The operating capacity of the SEN is estimated at 14,933 MW (44%).

Dating from the electric emergency decree N 39,363 issued by the then President Hugo Chávez, an energy rationing plan began due to failures in the national electric system. This was necessary because of constant droughts. Consequently, since most of the energy is of hydroelectric origin, the regions located at a greater distance from the main sources of electric supply are in a critical situation of constant rationing.

As a consequence of the aforementioned, in 2010 the National Executive approved the National Energy Plan; promoting the approval of a Wind Energy Plan, with the promise of making sure that through this plan various regions with optimal weather conditions could be self-sufficient.

Wind Farms in Venezuela

- Paraguaná Wind Farm, located near Santa Cruz de los Taques, Falcón State. With an area of 575 hectares, the construction of 76 wind turbines was projected for the production of 1.32 megawatts each. By 2014 only 54 were installed and 35 are in full operation.
- La Guajira Wind Farm, located in the State of Zulia, with an extension of 600 hectares. 36 projected auto generators, only 12 of which have been built.

Objective

To generate wind energy parks in regions with both an electricity deficit and a higher demand of electricity, such as Zulia State, Falcón State and Nueva Esparta State.

Contributions

- The cost of investment in wind energy is high. However, its management does not require the continuous consumption of fossil fuels, anchored to price changes, such as thermoelectric plants, which makes it an economically viable option.
-

- By improving electricity access conditions in the aforementioned regions, the participation of productive sectors such as construction and industry will be boosted, which translates it into return on investment through the payment of service.

Regulatory Framework

The Rational and Efficient Energy Use Law was established in the Official Gazette N 39,823 of December 19, 2011; this law promotes and guides the rational use of production, generation, transformation, transportation and distribution of energy in order to minimize the environmental impact of the use of fossil fuels. In relation to the new technology, the Ministry of the People's Power with competence in electric energy and the Ministry of the People's Power with competence in housing and habitat, acting jointly, will promote the introduction of equipment designed for the use of renewable energies.

Water desalination plant company

Context

The growing demand for water globally, and as a consequence, the reliability of supply of resources is a global priority; specifically in areas with semi-arid climates, such as the entire insular and central coastal region of Venezuela comprising the states; Zulia, Falcón, Carabobo, Aragua, Vargas, Miranda, Anzoátegui, Sucre, Monagas, Delta Amacuro and Nueva Esparta.

As a result of the El Niño phenomenon in 2015, water levels in reservoirs nationwide were reduced to minimum operating levels, consequently the Venezuelan government sought means to ensure safe and reliable sources of drinking water supply; therefore, it purchased 3 large desalination plants for the states of Falcón, Vargas and Nueva Esparta that would provide 300 lps, and then signed an agreement with China for the creation of 116 small plants to distribute them in the coastal area of the country providing 512 lps.

Under normal conditions, the average water consumption per person in Venezuela is 153 - 215 litres according to HIDROVEN sources, so the search for new sources of self-supply would facilitate the demand of population consumption and would help supply agricultural industries and encourage the development of the region.

Objective

To build water desalination plants in regions with deficiencies in the distribution of water resources and to promote self-sufficiency in the agricultural industry.

Contributions

- Create a strategic alliance for the creation and implementation of joint ventures for agricultural production that can self-supply drinking water.

Regulatory Framework

The Anti-Blockade Law published in Official Gazette N 6538, as a mechanism to promote national development, decreed by the National Constituent Assembly allows investment in areas related to the national water supply system, taking as a precedent the agreements made with the Republic of China, in relation to the investment in sectors for the creation of desalination plants in the insular zone of the country.

Drug Import Company

Context

Regarding the economic crisis that the Bolivarian Republic of Venezuela is going through, the president of the Chamber of the Pharmaceutical Industry (CINFAR) affirms that the pharmaceutical industry operates between 25 and 30% of its capacity, presenting a crisis caused by the inflation that Venezuela is suffering and mostly due to the fact that the main raw materials used in the industry are imported, which hinders the optimal manufacturing in the country.

Representatives of the pharmaceutical sector project that in 2019 the production of medicines closed at 80 million units; "Which means that from 2013 to 2019, the fall was 89% of units in the market" indicated the president of the Pharmaceutical Chamber.

Currently, due to the economic sanctions imposed by the government of the United States to the Bolivarian Republic of Venezuela, the current executive chose to promote alliances for the importation of medicines from India, China and Russia through the signing of bilateral agreements, giving way to pharmaceutical representation houses to have greater capacity to cover and position themselves in the national market.

Main representative companies present in Venezuela

COMPANY	CONTACT
LAPREVEN S.A	https://laprevensa.com/contact-us/ info@laprevensa.com
Pharmed Enterprises, C.A	http://www.pharmed.com.ve/quienes.aspx
Lab. Farma c.a	https://laboratoriosfarma.com/nuestra-planta/
ANGELUSHEALTH C.A	https://angelushealth.org/
Spruhaa Healthcare	https://spruhaahealthcare.co/
Good Value Medicine	https://goodvaluerx.com/medicine-on-time/
El Morro C.A	https://elmorrocdrr.com/
ESPECIALIDADES FARMACEUTICAS JACFAR C.A.	https://www.efjacfar.com/contacto/

Objective

To optimally supply the supply chain of different pharmacies and drug distribution centers in order to ensure that the majority of Venezuelans have access to previously scarce medicines.

Contributions

- To promote strategic alliances with the main laboratories in the country in order to optimally supply the entire Venezuelan territory.
- To counteract the socioeconomic effects of drug shortages in the country.

Regulatory Framework

The Venezuelan government established a special transitory regime related to the import and commercialization of products related to the pharmaceutical industry, i.e. that are not domiciled in the Republic, within the framework of the resolution of the Ministry of Health in Official Gazette 41610 of April 4, 2019.

The importation, commercialization and distribution will be carried out through a sanitary permit granted by the (Autonomous Service of Sanitary Activities) SACS.

The drugs excluded from this measure are psychotropics, narcotics and precursors.

The requirements to apply for the permit can be found in the following link:
<http://www.sacs.gob.ve/site/images/requisitos/DMC/REQUISITOS%20PARA%20SOLICITAR%20PERMISO%20PARA%20LA%20IMPORTACION%20DE%20PRODUCTOS%20A%20GRANEL%20PRODUCTOS%20%20FARMACUTICOS.pdf>

<http://www.sacs.gob.ve/site/index.php/2016-10-07-01-58-40/gacetas/90-sacs/direcciones/requisitos/128-requisitos-de-la-direccion-de-drogas-medicamentos-y-cosmeticos>

Medical Disposables Import Company

Context

As a result of the economic and health crisis that the Bolivarian Republic of Venezuela is going through, the national executive through the People's Ministry of Health, headed by Carlos Alvarado, has promoted strategic alliances with the People's Republic of China and related countries to try to overcome the consequences of COVID 19 and the coercive and unilateral measures imposed by the government of the United States.

As a consequence of the deterioration of the supply capacity by the national executive, the Venezuelan government is betting on allowing private companies to help supply hospital assistance centers in an optimal manner, allowing the importation of raw materials and supplies from the territory of its commercial allies and promoting the reactivation of domestic production.

Main manufacturers and importers of medical materials

COMPAÑY	CONTACT
Industria TecnoHospitalaria RGZ c.a	http://tecnohospitalaria.com/
Medica Suribe c.a	http://www.medicasuribe.com/esp/Home.php
Medical Industries c.a	https://dexxmedical.com/
Area Medica equipo y servicios c.a	https://areamedicaequipos.com/
Comercializadora EDS c.a	https://www.edsca.com.ve/

Objective

To establish a company in charge of importing and commercializing medical supplies and disposable material for use in operating rooms of clinics, hospitals and laboratories.

Regulatory Framework

The Venezuelan government established a special regime, of a transitory nature related to the importation and commercialization of products related to the medical supplies industry, within the framework of the resolution of the Ministry of Health in Official Gazette 41610 of April 4, 2019.

The importation, commercialization and distribution will be carried out through a permit granted by the (Autonomous Service of Sanitary Activities) SACS.

The requirements to apply for the permit are present in the following link: http://www.sacs.gob.ve/site/images/requisitos/materiales_equipos/22%20SOLICITUD%20DE%20PERMISO%20SANITARIO%20PARA%20IMPORTACION%20DE%20MATERIAL%2000%20EQUIPO%20DE%20USO%20EN%20LOS%20NIVELES%20DE%20SALUD.pdf

Referential sources

Organic Telecommunications Law.

Available at: Available at <http://www.conatel.gob.ve/ley-organica-de-telecomunicaciones-2/>

Water Law.

Available at: <https://www.ghm.com.ve/wp-content/uploads/2018/04/41377.pdf>

PRODAVINCI Water Crisis in Venezuela Report.

Available at: <http://factor.prodavinci.com/vivirsinagua/index.html>

Country Report Economic and Commercial Office of the Spanish Embassy in Venezuela.

Available at: <file:///C:/Users/stefa/Downloads/DOC2019826605.pdf>

Thesis: Current Status of Wind Energy Use in Venezuela.

Available at: <http://biblioteca2.ucab.edu.ve/anexos/biblioteca/marc/texto/AAR9307.pdf>

NATIONAL ELECTRIC SYSTEM.

Available at: shorturl.at/cxyFJ

PROYECTO DE CRISIS SANITARIA

Available at: <https://transparencia.org.ve/project/ante-la-crisis-sanitaria-de-salud-motor-farmaceutico-dispensarizacion-y-barrio-adentro-100/>
