



सत्यमेव जयते

EMBASSY OF INDIA  
CARACAS



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JANUARY 2020

# COMMERCIAL REPORT

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Embassy of India

# Economic & Commercial Report for January 2020

## 1. Statistical data

### i. Bilateral Trade

Period	Imports from Venezuela		Exports to Venezuela		Total trade	
	US\$ million	Rs. Lacs	US\$ million	Rs. Lacs	US\$ million	Rs. Lacs
2019-20 (Apr-Dec) (P)	4,334.28	3,050,864.87	136.44	96,972.00	4,470.72	3,147,836.87
2018-19	7,258.95	5,080,946.23	164.77	115,404.78	7,423.72	5,196,351.01
2017-18	5,866.37	3,779,668.44	79.21	51,053.33	5,945.58	3,830,721.77
2016-17	5,512.06	3,696,429.07	62.22	41,615.42	5,574.28	3,738,044.49
2015-16	5,701.81	3,715,029.41	130.66	85,177.63	5,832.47	3,800,207.00
2014-15	11,729.89	7,158,579.90	258.07	158,004.43	11,987.96	7,316,585.00

**Source:** Directorate General of Commercial Intelligence and Statistics (DGCIS) Ministry of Commerce & Industry, Government of India and Export Import Data Bank, Department of Commerce, Ministry of Commerce & Industry. Venezuela has not published any official data in respect of trade after 2014.

### ii. Top 10 items of Venezuelan Imports from India

(US\$ million)

S.N.	Exports	2014-15	2015-16	2016-17	2017-18	2018-19
1	Mineral fuels and mineral oils	0.03	0.05	0.03	-	83.45
2	Pharmaceutical Products	143.55	73.17	24.55	54.48	62.13
3	Nuclear Reactors, Boilers, Machinery and Mechanical Appliances	11.95	14.58	11.01	5.58	3.41
4	Cotton	22.1	6.58	3.11	1.56	2.46
5	Organic Chemicals	4.41	3.39	1.75	1.75	1.98
6	Miscellaneous chemical products	2.04	4.07	0.81	2.88	1.20
7	Rubbers and articles thereof	1.35	0.64	0.58	0.71	1.00
8	Paper and paperboard	1.44	0.44	0.66	0.52	0.96
9	Coffee, tea, mate and spices	0.87	0.19	0.35	0.21	0.70
10	Man-Made Staple Fibers	15.60	3.69	1.91	3.85	0.62

**Source:** Directorate General of Commercial Intelligence and Statistics (DGCIS) Ministry of Commerce & Industry, Government of India and Export Import Data Bank, Department of Commerce, Ministry of Commerce & Industry.

### iii. Top 10 items of Venezuelan Imports from the World

(US\$ million)

S.N.	Commodity	2015	2016	2017	2018
1	Mineral fuels, mineral oils and products of their distillation	2,551.22	1,791.58	2,026.32	4,579.99
2	Cereals	1,159.44	823.56	792.06	897.60
3	Machinery and mechanical appliances	4,453.03	2,326.53	1,479.55	877.15
4	Electrical machinery, equipment and parts	2,242.76	997.94	608.54	440.62
5	Animal or vegetable fats and oils	532.81	257.40	223.92	288.53
6	Organic chemicals	942.19	531.70	308.33	258.82
7	Vehicles, parts and accessories	1,835.93	880.38	371.96	207.14
8	Residues and waste from the food industries	421.21	369.22	181.84	205.95
9	Aircraft, spacecraft, and parts thereof	193.75	73.98	85.37	203.77
10	Commodities not elsewhere specified	214.69	249.60	102.09	184.28

**Source:** National Institute of Statistics (INE), Government of Venezuela. Venezuela has not published any official data in respect of trade after 2014. The above data after 2014 has been obtained from the International Trade Centre (ICT) – Trade Map (calendar year).

### iv. Top 10 items of Venezuelan Exports to India

(US\$ million)

S.N.	Imports	2014-15	2015-16	2016-17	2017-18	2018-19
1	Mineral Fuels and Oils	11,669.14	5,678.63	5,505.88	5,859.40	7,248.15
2	Aluminium and Articles Thereof	1.75	6.56	3.52	2.22	5.49
3	Iron and Steel	51.06	13.87	-	0.08	1.54
4	Wood and Articles	-	0.01	0.11	0.84	0.86
5	Lead and Articles Thereof	0.38	0.76	0.45	1.67	0.74
6	Raw Hides and Skins and Leather	0.04	0.18	0.08	0.09	0.78
7	Zinc and articles thereof	-	-	-	0.71	0.44
8	Paper and Paperboard; Articles of Paper Pulp	0.22	0.02	0.03	0.03	0.37
9	Plastic and Articles Thereof	0.14	0.54	0.62	0.77	0.18
10	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	-	-	-	-	0.13

**Source:** Directorate General of Commercial Intelligence and Statistics (DGCIS) Ministry of Commerce & Industry, Government of India and Export Import Data Bank, Department of Commerce, Ministry of Commerce & Industry.

## v. Top 10 items of Venezuelan exports to the World

(US\$ million)

S.N.	Commodity	2015	2016	2017	2018
1	Mineral fuels, mineral oils and products of their distillation	34,600.17	24,207.76	28,246.42	29,981.84
2	Natural or cultured pearls,	936.12	2,929.33	1,058.71	2,718.24
3	Organic chemicals	588.31	376.42	534.23	561.66
4	Iron and steel	416.23	280.83	356.80	251.39
5	Aluminium and articles thereof	263.00	242.92	332.26	229.15
6	Ores, slag and ash	365.35	363.15	339.28	219.03
7	Fish and crustaceans	86.77	125.78	154.10	163.94
8	Fertilisers	146.31	205.10	186.69	82.32
9	Inorganic chemicals	233.28	129.42	128.70	80.69
10	Copper and articles thereof	8.94	48.12	61.07	73.94

**Source:** National Institute of Statistics (INE), Government of Venezuela. Venezuela has not published any official data in respect of trade after 2014. The above data after 2014 has been obtained from the International Trade Centre (ICT) – Trade Map (calendar year).

## vi. Monthly Inflation Rate

S.N.	Month	National Assembly estimates (2020)	Central Bank of Venezuela figures (2020)
1	January	-	-

**Source:** Central Bank of Venezuela and National Assembly of Venezuela.

## vii. GDP Growth %

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Total
2014	-5.2%	-5.4%	-2.7%	-2.6%	-3.9%
2015	-1.4%	-4.8%	-7.4%	-10.2%	-5.9%
2016	-13.4%	-17.6%	-19.0%	-17.9%	-17.0%
2017	-12.2%	-15.6%	-15.8%	-18.9%	-15.7%
2018	-18.1%	-17.6%	-22.5%	-	-
2019	-26.8%	-	-	-	-

**Source:** Central Bank of Venezuela.

## 2. Trade queries for import/Exports

No.	Enquiry originator	Product
1	<b>Katyal Overseas</b>	Copper bottle and all other Handicrafts Item
2	<b>Abhyudaye Enterprise</b>	Oil-seeds, especially peanuts and sesame seeds
3	<b>AGA Group International</b>	Lab Glassware, Clinical & Pharma Instruments, Hospital Beds, ICU Beds, Hospital Supplies, Freezers, Slits Lamps, ENT & Surgical Microscopes, Ophthalmic & PTFE Products

4	<b>Distribuidora Hermanos Amaro (Venezuela)</b>	Rice, Canned tuna, Pasta
5	<b>GLOBAL INTERNATIONAL</b>	Stainless steel custom fabrication products
6	<b>CHHATWAL &amp; CO.</b>	Bicycle and bicycle components
7	<b>ZP Impex</b>	Disposable Medical Consumable Products
8	<b>J K OVERSEAS</b>	Salt, Spices, Mixed Spices & Herbs (Mixed Herbs, Basil, Parsley, etc.) Seasonings (Pizza, Pasta, etc)
9	<b>HAZ Medica (Venezuela)</b>	Pharmaceuticals
10	<b>BTE International</b>	Prawns, Dried Onion, Garlic, Jaggery, Fresh Mango and Mango Pulp
11	<b>Nisarg Universe</b>	Turmeric, Cinnamon and 20 different Spices in powder form
12	<b>CHAITANYA EXPORTS</b>	Fresh Vegetables, Agricultural Products
13	<b>Nimesh Patel</b>	Vegetables
14	<b>UMA BROTHERS</b>	APIs, Excipients, Pharmaceutical Raw Materials & Chemicals, Animal Health Chemicals & Veterinary Raw Materials
15	<b>Gautam Seth</b>	Honey, nuts, other nuts, peanuts, cinnamon, Saffron, barley, Rice, peat, silk yarn, silk, cotton carded comb, cotton fabrics, nylon fabrics, viscose fabrics, knitted fabrics, women suits, bed linen, curtains
16	<b>HANUMANT INDUSTRIES</b>	Plastic Household Products, Plastic Furniture, Paper Coffee Cups
17	<b>Shree Laxmi Industries</b>	Furniture Hardware product, furniture fitting Accessories and Bathroom accessories
18	<b>Dockmate International Pvt Ltd</b>	Menthol crystal
19	<b>VESTIGE WORLDWIDE</b>	Slik products

### 3. Commercial and Economic News:

#### INDIA – VENEZUELA

**Cargo vessel from India supplied three days' worth of fuel for the east of Venezuela:** A cargo vessel from India carrying 190,000 barrels of fuel arrived at a PDVSA refinery in Puerto La Cruz, during the first week of January. Reports indicate that this fuel was sufficient for supplying for three days the petrol stations in Anzoategui. [Read more.](#)

**Venezuela oil exports accelerate, India awaits cargoes:** According to media reports, Venezuela kicked off the new year with at least 730,000 bpd of crude exports, led by several India-bound cargoes. In the first half of January, a half dozen tankers loaded at PDVSA Jose terminal, the most recent being the Maltese-flagged VLCC Lucky Trader carrying heavy sour Merey blend and expected to arrive at Indian Reliance's 1.36 million bpd Jamnagar refinery on 19 February

2020. The cargo came from the PetroMonagas joint venture between Venezuela's state-owned PDVSA and Russian state-controlled partner Rosneft. At least two more VLCCs departed to India from Jose, including the Liberian-flagged Boston carrying diluted Orinoco crude (DCO) lifted by Italy's Eni and due at India's Sikka terminal for Reliance on 8 February 2020, and the Greek-flagged Maran Libra carrying Merey lifted by Rosneft and due in India on 21 February 2020. Rosneft lifted another 3.9 million bpd of Merey aboard the Maran Triton and Maran Cygnus since 1 January 2020. The Russian firm routinely ships Venezuelan cargoes to its 400,000 bpd Vadinar refinery in India. [Read more.](#)

#### OTHER NEWS

**Agricultural census started in Venezuela:** Ministry of People's Power for Productive Agriculture and Land, started on 10 January 2020, the agricultural census in Venezuela, as a mechanism to boost production. "The agricultural census of all the producers in the country, we are going to do it for all the produce that they farm. We want to know in full detail their requirements and productive capacities", said the Minister for Agriculture. [Read more.](#)

**More than 6,000 metric tons of commodities were unloaded at the Port of Guanta:** A total of 6,748 metric tons of commodities stored in 299 containers, were

unloaded from the AS Angelina (Portuguese flag) cargo vessel at the port of Guanta in eastern Venezuela, as informed by the Venezuelan Port Authority (Bolipuertos). Sugar, wheat flour, pasta, tyres, car parts, detergent and personal care products were amongst the imported commodities. [Read more.](#)

**President Maduro announced creation of Petro Health card:** President of Venezuela, Nicolas Maduro, announced in early January the creation of the Petro Health card. With the card, the Government will guarantee the medicines with the Petro, "no matter the cost", the President said. [Read more.](#)

**Conviasa to include an Airbus 340-200 in their fleet from February 2020:** The President of the state-owned airline Conviasa, announced that an Airbus 340-200 aircraft would be included in their fleet and would start operations in February 2020. [Read more.](#)

**Venezuela exporters reported a drop of 25% in their sales of 2019:** The President of the Venezuelan Association of Exporters (AVEX), reported that during 2019, the Venezuelan exports contracted by 25% in comparison to 2018. Venezuelan exports such as shrimps, prawns, crab, cocoa, chocolate and rum, have maintained high levels. In addition, exports to some Asian countries and Spain, Italy, France, Germany, etc. increased significantly in 2019. [Read more.](#)

**Fedeagro expects increase of 15% in the production of vegetables in 2020:** The Federation of Farmers of Venezuela (Fedeagro), expects for an increase of 15% in the production of potatoes, broccoli, carrots, rice, corn, sorghum, beans and other vegetables in 2020, that dropped by 85% in 2019. [Read more.](#)

**Venezuelan international reserves fell to its lowest level in the last 30 years:** In January, Venezuelan international reserves fell by US\$ 832 million, amounting to US\$ 6.63 billion, which is the lowest level in the last 30 years. [Read more.](#)

**Government issued another bond in early January:** From 06 to 15 January 2020, the Government of Venezuela issued the Three Kings Bond of social protection. The bond amounts to Bs. 200,000, which barely reached US\$ 3 at market rate. Venezuelans who are registered under the Patria platform are eligible to receive the bond. [Read more.](#)

**Venezuela lawmakers scrapped CAF electricity financing plan:** Venezuelan opposition leader Juan Guaido said on 09 January 2020 that lawmakers had abandoned a proposal to finance electricity infrastructure in Venezuela through a loan from regional lender CAF, citing the high costs of the plan. The proposal involved CAF providing US\$ 350 million in financing via the United Nations. [Read more.](#)

**Venezuelan oil exports fell by a third in 2019:** Venezuela's oil exports plummeted 32% in 2019 to 1.001 million barrels per day. In terms of customers, Russia's Rosneft was the largest receiver and intermediary of Venezuelan oil with 33.5% of total exports, followed by state-run China National Petroleum Corp (CNPC) and its units with 11%, and Cuba's state-run Cubametales with 7%. A frozen trade relationship with the United States allowed Asia in 2019 to strengthen its position as the main destination for PDVSA's oil with China, **India**, Malaysia, Japan and Singapore receiving cargoes, sometimes only for blending and transferring. Venezuela's oil shipments to Asia averaged 647,000 bpd, or 65% of total exports in 2019. **India** was the second-largest receiver of Venezuelan oil last year with 217,739 bpd. Refining firm Reliance Industries suspended direct purchases from PDVSA in the second quarter but resumed them later in 2019 after reaching a new swap deal allowing PDVSA to receive fuel cargoes in exchange. [Read more.](#)

**Petropiar JV re-activated before expiry of Chevron's license to operate in Venezuela:** PDVSA and Chevron re-activated the crude upgrader located at the Petropiar JV, for the processing of Special Hamaca Blend and they expect to produce 130,000 bpd aiming to reach 160,000 bpd. Reports indicate that Petropiar had decided not to produce

synthetic crude but an upgraded Merey 16 in order to reshift the offer to both **India** and China. [Read more.](#)

**Venezuela's public health system reached 95% of the target for vaccinations during 2019:** President Nicolas Maduro announced during a work meeting that Venezuela's public health system reached 95% of the target for vaccinations in 2019. "With Donald Trump's chase against Venezuelan health, they chased ships and plans that were bringing vaccines", the President said. He also mentioned that due to the cooperation with Russia, China, **India** and Cuba it was possible to bring the vaccines to the country. [Read more.](#)

**PDVSA sold fuel oil at deep discounts to clear surplus:** PDVSA negotiated the sale of 6.8 million barrels of 3% sulfur fuel oil in January 2020, offering large price discounts, all for delivery in Asia, in an attempt to reduce the surplus of inventories. In January, PDVSA received supplies of refined products in exchange for crude from Russia's Rosneft, Spain's Repsol and India's Reliance. [Read more.](#)

**National Assembly of Venezuela published inflation rate for 2019:** The opposition-led National Assembly of Venezuela published their estimates for inflation rate for 2019 at 7,374.4%. [Read more.](#)

**Venezuelan oil production fell to a record low since 1945:** The Organization of Petroleum Exporting Countries (OPEC), reported in January that Venezuela's crude oil production in 2019 reached the lowest record since 1945. Production fell to 1,013,000 bpd. In respect to 2018, production fell by 500,000 bpd. [Read more.](#)

**PDVSA's partners acted as traders of Venezuelan oil amid sanctions:** Venezuela tested the method of allocating cargoes to joint-venture partners including Chevron Corp, which in turn markets the oil to customers in Asia and Africa. The reports indicate that this would not violate sanctions as long as sale proceeds are used for paying off a venture's debts. This approach could help Venezuela overcome obstacles to producing and exporting oil. PDVSA was forced to use intermediaries for crude sales as US Government pressured Venezuela's Indian and Chinese customers to halt direct purchases. [Read more.](#)

**Government of Venezuela raised the minimum wage to US\$ 5.45 per month:** The Government of Venezuela decreed a new increase in the minimum wage by 50% from 300,000 to 450,000 bolivars per month (approximately US\$5.45). The presidential decree specifies that the new minimum salary will be 250,000 bolivars and a food bonus of 200,000, totaling 450,000 bolivars. The last increase to try and protect workers from the hyperinflation took place in October. [Read more.](#)

**Venezuela mandates airlines to pay for fuel in Petro:** President of Venezuela Nicolas Maduro, mandated airlines flying from Caracas to pay for the fuel in its national digital currency Petro. During his annual speech to the National Constituent Assembly, he said: "I decree the sale of all fuel sold by the PDVSA for planes operating international routes be made in Petros from now on". [Read more.](#)

**U.S. oilfield firm shuts doors three years after US\$ 1 billion Venezuela deal:** Horizontal Well Drillers, a US based oilfield company shut its doors in Venezuela. In 2016,



the company won a US\$ 1.29 billion contract to drill 191 wells in Venezuela's Orinoco Belt, as part of a plan to boost output. However, reports indicate that the deal did not work for the company, its Canadian lender Callidus Capital Corp, or for Venezuela. [Read more.](#)

**Experts expect a contraction of 10% in Venezuelan economy in 2020:** Local economic experts expect a contraction of Venezuelan economy by 10% during 2020. They claim that although it is a major contraction, it is significantly lower than the 40% contraction of 2019. [Read more.](#)

**Klesch Group commissioned to operate Isla refinery in Curacao:** The President of the Klesch Group, Gary Klesch, informed in January that the company would take over control of the operations of the Isla refinery in Curacao in April 2020, which was under control of PDVSA since 1985. The refinery has a capacity of processing 335,000 bpd. [Read more.](#)

**President of Venezuela authorized creation of a Cryptobank:** On 16 January 2020, President of Venezuela, Nicolas Maduro, approved the creation of a Cryptobank by converting the Agricultural Bank of Venezuela into a cryptocurrency bank to develop agriculture with public and private capital. [Read more.](#)

**National Assembly of Venezuela proposed to fix minimum wage at US\$ 120:** The opposition-led National Assembly of Venezuela proposed a minimum wage of US\$ 120 during the first 90 weeks of the Plan Pais (Country Plan), which is the plan that the opposition hopes to implement given that they take over the Government in the future. [Read more.](#)

**President Maduro expects oil production to rise by 2 million bpd in 2020:** President of Venezuela, Nicolas Maduro, informed in January that oil production must reach 2 million bpd in 2020. He added that the oil industry had a "shy but significant progress" regarding oil production and announced that they have produced an additional figure of 230,000 bpd. [Read more.](#)

**Rosneft quietly took helm at PDVSA heavy oil plant:** Venezuelan state-owned PDVSA PetroMonagas heavy crude upgrader restarted as a blending facility and is currently producing almost 90,000 bpd of Merey grade after PDVSA's Russian minority partner Rosneft took operational control of the project around October 2019. Rosneft's effective takeover of PetroMonagas is part of a strategy initiated by oil minister Manuel Quevedo last September to boost crude production by shifting operational control of critical joint ventures to minority partners, including Rosneft, Chinese state-owned CNPC and Spain's Repsol. [Read more.](#)

**Venezuela's demand for oil payments in cryptocurrency halted purchases:** According to media reports, some buyers of Venezuelan crude oil have halted purchases after the country started demanding payment of port fees in its failed cryptocurrency. Exports of at least 1 million barrels of oil were put on hold after the government that certain maritime fees, currently paid in euros, had to be paid in Petros from 13 January 2020 onwards. [Read more.](#)

**President Maduro said that Venezuela is open to US investment:** During an interview with the Washington Post, President Nicolas Maduro said that Venezuela is open to the US investment and is ready to receive all investors in the areas of petroleum, mining,

tourism and telecommunications. The President mentioned that Venezuela and the US are obliged to have relations of respect and communications for the future years and centuries, as they are both located in the same region. [Read more.](#)

**Production of SIDOR fell to zero in 2019:**

Production of the state owned SIDOR, fell to zero in 2019 as the electric transformers operated under 15% during the year despite efforts made by the Government to recover the industry. In 2018, SIDOR reported a production of 50,123 tons of liquid steel, which is barely 1.1% of the 2007 levels. [Read more.](#)

**Latin American SMEs learned about commercial opportunities with India in a seminar held by SELA:**

The Permanent Secretariat of the Latin American and the Caribbean Economic System (SELA), based in Caracas, Venezuela, along with the Brazilian Service in Support of Micro and Small Enterprises (SEBRAE), and the Catholic University of Uruguay (UCU), held a seminar on Experiences and Opportunities for the Internationalization of the LAC SMEs with India, from 23 to 24 January 2020. [Read more.](#)

**Venezuela exported US\$ 260 million in alcoholic beverages:**

The President of the Venezuelan Industry Chamber of Alcoholic Beverages (Civea), announced that nearly US\$ 260 million of alcoholic beverages have been exported from Venezuela in the recent two years. He mentioned that Venezuelan alcoholic beverages are gaining recognition worldwide and reaching markets like EU which is the main client. [Read more.](#)

**Swedish refiner Nynas proposed restructuring to escape U.S. sanctions:**

Swedish oil refiner Nynas, which is owned by

Venezuela's PDVSA and Finland's Neste Oil, said in January that it planned to reorganize its business in an attempt to separate itself from U.S. sanctions imposed on Venezuela. Nynas said that the proposed changes to its ownership structure, backed by both PDVSA and Neste Oil, were filed with the United States' Office of Foreign Assets Control (OFAC) on 17 January 2020. The refiner added that it would only proceed with the changes if and when OFAC confirms that the move would mean Nynas no longer being subject to its sanctions. [Read more.](#)

**U.S. Treasury Department authorized Central Bank of Venezuela to have operations with some organizations:**

On 21 January 2020, the US Treasury Department issued a license that allows 9 international organizations to have transactions with the Central Bank of Venezuela (BCV). The organizations allowed are the following: Inter American Bank of Development (IADB), International Monetary Fund (IMF), the International Red Cross, World Bank, Latin American Development Bank (CAF), Interamerican Reserve Fund, and some agencies under the OAS and the UN. According to the US Government, the license will automatically renew on the first day of each month and it will be valid for a period of 18 months. [Read more.](#)

**U.S. blacklisted PDVSA aircrafts in latest Venezuela sanctions:**

The U.S. Government blacklisted 15 aircraft belonging to Venezuelan state oil company PDVSA. Washington accused the PDVSA aircrafts of operating in an "unsafe and unprofessional manner in proximity to U.S. military aircraft, while in international air space". [Read more.](#)

**U.S. granted Chevron another three months for Venezuela operations:**

The U.S.

Treasury Department granted permission for Chevron Corp, the last major U.S. oil company operating in Venezuela, to continue working in the country until 22 April 2020. Chevron and oilfield service firms Baker Hughes Co, Halliburton Co, Schlumberger NV, and Weatherford International have regularly received permission to remain in the country although the latter four services firms have largely ceased operations in Venezuela. The U.S. oil company's Venezuelan oil and gas production has been falling and was about 32,000 bpd during the last quarter for which figures were available. [Read more.](#)

**Venezuela considering taxes on U.S. Dollar sales:** Venezuela is considering imposing a tax on the growing number of sales being conducted in U.S. dollars to boost government revenue at a time when foreign reserves are at a 30-year low. The country's Constituent Assembly, is discussing a value-added tax reform proposal in the coming weeks as part of the economic measures the government is planning in 2020, said an assembly member who's part of the economic committee, to media. As part of the new law, sales in euros and cryptocurrencies -- with the exception of the sovereign crypto coin, the Petro -- would also be taxed. [Read more.](#)

**Venezuela to open a crypto casino to push Petro adoption:** The President of Venezuela, Nicolas Maduro, announced that Ávila National Park's Hotel Humboldt will have a casino that can be operated with its state cryptocurrency Petro. The proceeds will be used to fund Venezuela's education sector and public health. Less than a decade ago, former president Hugo Chavez had ordered to shut down all the betting places as harbours of prostitution, drugs and crime. [Read more.](#)

**Venezuela cash reserves sink below US\$ 1 billion:** Venezuela's international reserves, already at a 30-year low, hit a new milestone as cash holdings fall below US\$ 1 billion. Reports indicate that Venezuela's central bank now has only about US\$ 800 million left in cash and an additional US\$ 200 million in form of other liquid assets. [Read more.](#)

**Credits in Venezuela reduced by 92.38% in 2019:** According to a report issued by the Banking Superintendency of Venezuela (Sudeban), the credit portfolio of Venezuelan banking closed at 8 billion Bolivares (equivalent to US\$ 216.8 million) in 2019. This represents a reduction of 92.38% in comparison with 2018. Most of the credits issued were given to the commercial and industrial sectors. [Read more.](#)

**Naval companies forced to pay for INEA services in Petros:** The Venezuelan Government issued a rule that forces naval companies to adjust their systems to pay for services in Petros to the National Institute of Aquatic Spaces (INEA) in respect of their operations. [Read more.](#)

**Latin American group prepares an offer to Telefonica:** A telecommunications group comprising businesspeople from Colombia, Chile, Peru and Mexico, is interested in making an offer for the Spanish giant Telefonica businesses in the Latin American region. The offer would presumably be for € 10 billion. The group is planning to create a Latin American holding that would integrate the HispAm unit of Telefonica, which would have 51% stake in Argentina, Chile, Venezuela, Ecuador, Mexico, Peru, Uruguay and Colombia. [Read more.](#)

**National Constituent Assembly approved economic reforms:** The Government-led

National Constituent Assembly (ANC), approved on 28 January 2020, a number of reforms such as the Organic Tributary Code (COT), the Organic Law for Customs, and the VAT Law. One of the major modifications to the COT is to adjust the payments of fines to the value of Euro given by the Central Bank. “We are obliged to attend the fiscal system, a new COT that does not collect taxes and sanctions in a tax unit that devaluates, that only devaluates the income of Venezuelans”, a member of the ANC told media. [Read more.](#)

**PDVSA reportedly in debt for US\$ 140 billion:** According to media reports, local economists believe that PDVSA is reportedly in debt for around US\$ 140 billion and the Government is not honouring its creditors. Experts believe that PDVSA is mulling to give space to private investors to carry part of the operational responsibility of the country. [Read more.](#)

**Autoparts industry satisfies 1.8% of the demand:** According to the Federation of Autoparts Manufacturers of Venezuela (Favenpa), there are only 55 autoparts manufacturers in operation at the moment in Venezuela, that only cover 1.8% of the internal demand. Favenpa also indicated that the assembly of vehicles in the country has been reduced by 99.6%, with only 459 units assembled in 2019. [Read more.](#)

**Venezuela’s GDP contracted 65% since 2013:** The International Monetary Fund (IMF), published an update on the perspectives and risks for LAC. The update indicates that Venezuela’s economy has contracted its GDP by 65% since 2013, as a consequence of the decrease in crude oil production, hyperinflation, collapse of public services and purchase power of the people. [Read more.](#)

**Petropiar JV accelerates processes to increase oil production:** The President of Petropiar, a joint venture between PDVSA and Chevron, held working meetings in January that seek to unify the goals that are set annually to increase production and guaranteeing operational continuity as well as the security of processes and development of the nation. [Read more.](#)

**Turkish National Assembly approved economic and commercial agreement with Venezuela:** The National Assembly of Turkey approved in January a high-level agreement for the economic and commercial development signed with Venezuela in May 2018, to establish a legal framework for cooperation and mutual benefits with preferential conditions. [Read more.](#)

**PDVSA shuts its last two operating refineries in Venezuela:** PDVSA has shut down its last two operating refineries in Venezuela, closing its Amuay and Cardon facilities at the Paraguana Refining Center (CRP), the largest refining complex in the country. Due to multiple failures and a lack of crude to process, the 645,000 bpd Amuay refinery was completely shut down on 27 January 2020, with its five distillers out of service, and the 310,000 bpd Cardon refinery was shut on 25 January 2020 for maintenance work on the Number 1 distiller, which had been operating at 50,000 bpd. Amuay’s 108,000 bpd catalytic cracking unit has been shut since December 2019, the plant’s 72,000 bpd flexicoker has been shut since March 2016, and the 34,000 bpd delayed coking unit remains shut for repairs. PDVSA operates two other refineries, the 187,000 bpd Puerto La Cruz and the 140,000 bpd El Palito, which were already shut down due to deterioration of units, lack of light crude to process and failures in the supply of electricity. [Read more.](#)

### **Venezuela to organize 2nd Business Round 2020 in early February:**

The Venezuelan Ministry of Tourism and Foreign Trade (MITCOEX) is organizing the 2nd Negotiation Round 2020 from 12 to 13 February 2020. This Business Round will bring together national and foreign businessmen and investors at the Alba Caracas Hotel in Caracas and aims to promote trade, focusing on strengthening the country's tourism and export sectors, with a sustainable economic development perspective and welfare for the population. [Read more.](#)

### **Venezuelan rum maker offered shares in hope of China-style transition:**

Venezuelan rum distiller Ron Santa Teresa launched Venezuela's first public share offering in 11 years, citing rare optimism that the nation may see an economic transition similar to that of China and the Soviet Union. One of Venezuela's best-known brands, Santa Teresa, which has an alliance with Bermuda-based Bacardi Ltd., sold an initial 1 million shares on 31 January 2020. It was the firm's first in a series of offers of bolivar-denominated shares hoped to raise the equivalent of a modest US\$ 3 million this year. Company president Alberto Vollmer compared the sale, the first public share offering since 2008 on the diminished Caracas stock exchange, to the re-opening of the Shanghai Stock Exchange 30 years ago that helped revive China's economy. Another Venezuelan company, real estate developer Fondo de Valores Inmobiliarios, also plans a share issue this year. The two men belong to an informal group known as "Optimists Anonymous" made up of 39 corporate leaders, bankers and investors who think businesses will become profitable again as President Nicolas Maduro will not be able to

reverse the opening of the ailing economy. [Read more.](#)

### **SAREN pegged value of tax unit at the rate of Petro:**

The Autonomous Service of Registrars and Notaries (SAREN), pegged the value of the tax unit to the Petro cryptocurrency. The decision came under the Official Gazette from 23 January 2020, which implies that the value of the tax unit would increase on a monthly basis as well as on the basis of the value of the Petro. [Read more.](#)

### **PDVSA, subsidiaries and JVs exempted of paying income taxes for one more year:**

PDVSA, subsidiaries and its JVs, would be exempted from paying income tax for one more year. This measure has been published in Presidential Decree N° 4,106. [Read more.](#)

### **Crop diseases pose threat to Venezuela food supplies:**

According to media reports, crops like coffee, rice and potatoes, are facing a growing risk of crop failure for lack of basic agricultural inputs. Venezuela's potato production in 2019 dropped by nearly 30% from the previous year, according to figures from the agronomists' trade union, a decline that coincided with the increased prevalence of a pest known as the Guatemalan potato moth. Rice production dropped by nearly 50% last year amid increased infection of the "rice mite," which leaves rice stalks empty of their kernels, according to Venezuela's rice growers' industry association. While crop diseases have always been a risk in Venezuela's tropical climate, farmers for decades had been able to reliably control them by fumigating against mosquitoes and fungi that carry vector-borne diseases like greening. For many years, such chemicals were unavailable due to chronic product shortages. Availability improved in the last year as the government relaxed price

controls, but they are still unaffordable for the vast majority of farmers. Experts have already warned about the threat of crop fungus attacking plantains, a crucial source of carbohydrates in Venezuela's increasingly starch-heavy diet. [Read more.](#)

**Venezuela - South Africa business forum held in Caracas:** On 29 January 2020, a Venezuela - South Africa business forum, was inaugurated in Caracas until 31 January. The event was attended by private and public institutions to strengthen the business opportunities in the areas of oil, mining, industry, commerce and financial sectors. The Vice Minister for Africa of Venezuela said that they wish to reach a strategic alliance of mutual benefit like the ones with China, Russia and Turkey. [Read more.](#)