



Weekly Report

Year 5, Number 13
Week II, April 2009

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***HOW MUCH DOES THE
ADMINISTRATION HAVE TO
FACE THE CRISIS?
(An update on extraordinary
resources)***

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It's clear that the effects of the world recession are being felt in Venezuela, especially due to the drop in oil prices. This has significantly impacted economic growth, the foreign sector, and the execution of fiscal policies. With regard to the latter, it's important to keep in mind that the Administration has resources available to it in a number of funds, which added to what it expects to acquire in domestic debt, will allow it to face public sector financing needs for this year. This report will attempt to update you as to the amount of resources available in these funds at the close of the first quarter 2009.

**Funds not very
transparent**

At *Ecoanalítica*, we have been saying since the middle of 2005 that the Administration has been accumulating extraordinary resources in a number of different funds which main characteristics are that they are not subject to controls, they are to be used at the discretion of the Executive Office, they have been growing over time, and a good part of them are held in foreign currency.



These funds decide when the adjustment will be made

By monitoring these extraordinary resources, we can draw two conclusions. First, the Government (for now) doesn't have to devalue the currency as a fiscal adjustment mechanism (though it could to reestablish the balance in the foreign market) and, second, that the Administration has decided that the fiscal adjustment coming in the future will be gradual, which is supported by the President's announcements made a few weeks ago.

Despite the fact that during the last few years the Government has been increasing its level of spending at a greater rate than revenues were coming in, the legislative reforms it has implemented with regard to fiscal matters and the Budget has allowed it to accumulate a considerable amount of liquid assets over the past four years. The main advantage this affords the Administration is that it will be able to control when the fiscal adjustment will take place.

At the close of the first quarter, these resources totaled US\$ 42.40 billion

The resources that are available to the State are estimated at US\$ 42.40 billion, which represents 13.3 points of GDP or 47% of the estimated total spending that the Government executed in 2008. An important fact to point out is that this amount does not include recent resources raised by PDVSA, for example, debt acquired from Japan (US\$ 1.50 billion) as well as the supposed US\$ 4.0 billion that the Chinese have deposited into the joint fund that Venezuela has with them. However, we don't have any information regarding how these resources will be used and how PDVSA will manage some other resources that are also out there, so we have not included these in our table.

Government Resources	Mar-09 (US\$ MMM)
Cash	42.4
In VEF	23.6
BANDES	0.1
BDT	0.1
Deposits in the financial system	16.1
Fondo Miranda	2.9
National Treasury	2.3
FONDEN	2.1
In USD	18.8
FONDEN	15.2
Other Funds	3.0
PDVSA	0.6
Total	42.4

Source: Ecoanalítica

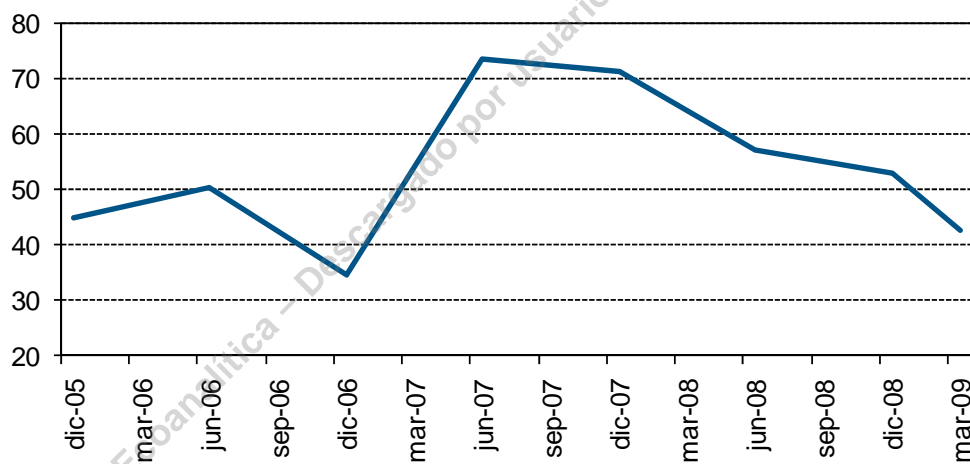




2009 will be a completely different story

At *Ecoanalítica*, we have been monitoring these extraordinary resources since the end of 2005, and something that has always stood out is that over time, they have always been increasing. That is, right up to the middle of last year when they began to drop. This happened right about the time oil prices began to drop. In December 2005, these resources totaled US\$ 44.65 billion. Then in June 2007, they reached their highest level at US\$ 73.40 billion. Now, at the close of March 2009, they are at their lowest level over two years, so that between the close of the first quarter 2007 and the close of the first quarter 2009, the Administrations extraordinary resources have dropped US\$ 31.0 billion.

Government resources evolution



Source: Ecoanalítica.

Most of these resources are held in bolivars

The Government has these extraordinary resources in a number of different funds which it manages in a not to transparent manner which makes it very difficult to monitor. Another fact is that not all these resources are held in foreign currency. According to our estimates, the resources that are held in US-dollars total US\$18.80 billion, or 44% of the total amount of resources. But, if we add the new funds collected by PDVSA, this total could reach up to around US\$ 24.30 billion. It's important to point out that at the close of the first semester 2007, the total amount of resources held in US-dollars was at US\$ 41.0 billion, in other words, the holding in US-dollars has dropped by 54.2%.





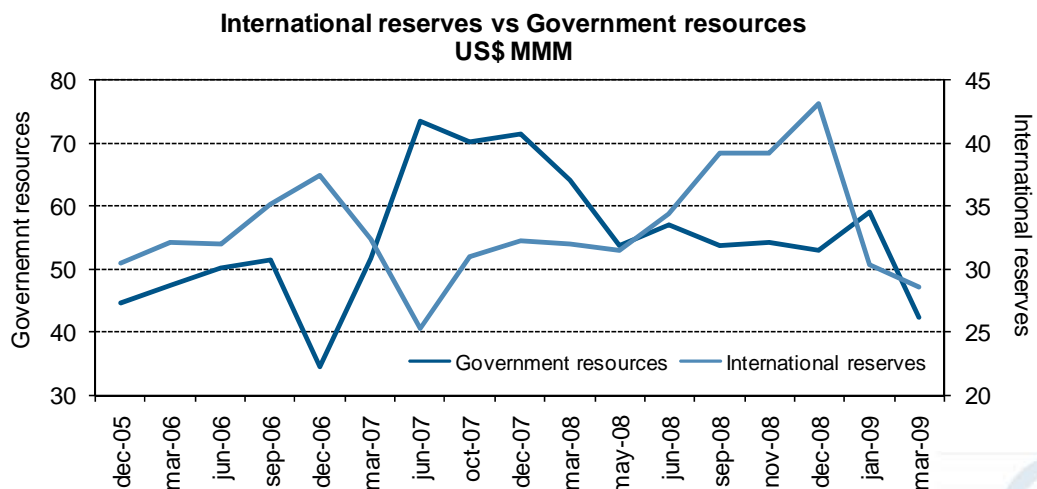
Maza, the prophet

Regarding this issue, the former director of the Central Bank of Venezuela (BCV), Domingo Maza Zavala, pointed out in August 2007, that *“as the situation stands now, the accumulation of oil revenues in foreign currency squirreled away by the Administration and the reserves transferred by the BCV to FONDEN and other funds is greater than the operational reserves of the BCV, especially if you add all the foreign currency in possession of public sector entities such as FOGADE, BANDES, Banco del Tesoro, and other state-run companies, which is over US\$50.0 billion. It’s quite unsettling that so much is spread around in so many different entities, without any central control or defined purpose for how they will be used. It’s a kind of Budget which exists parallel to the State Budget and is totally out of control.”*

Going down

At the end of March, international reserves were at US\$ 28.57 billion. The significant drop in oil prices has had an equal impact on the reserves as it has had on extraordinary resources. In the first quarter, Government extraordinary resources have dropped by more than US\$ 10.40 billion and international reserve totals have dropped by US\$ 14.49 billion.

An important detail to point out is the transfer of US\$12.0 billion to FONDEN from the international reserves, which points to the drop in extraordinary resources as being the more severe. If we don’t include the amount transferred then we have that the drop in extraordinary funds would have been for US\$ 22.40 billion.



Sources: BCV and Ecoanalítica.



Why will the Government seek to acquire debt?

The Administration's recent announcement that it will increase the level of domestic debt it will acquire, almost doubling the current amount of domestic debt, could be interpreted as a sign that the Government is running out of funds and is in a cash flow crisis. The drop in oil prices has indeed forced the Government to revise its fiscal accounts, but this aggressive policy to acquire more domestic debt is aimed more at guaranteeing resources for the longest possible time. If the Government does in fact decide to hold off with the economic adjustment measures, at the rate that resources are being used up, the coffers will be dry by the end of the year. The Government is planning on rationing the use of its resources, maintaining its head above water for as long as possible, and hope oil prices rebound.

Time to reap the benefits

Up until now, the Government has been caught up in a spiral, trying to have it both ways, the best of two worlds: on the one hand it increases spending, on the other, it wants to hoard as much resources as possible. We've called this scenario, fiscal voracity. This is why the Government never let up on taxes, nor did it ever stop acquiring debt. Though it may sound cynical, but it's now that the Administration will collect the fruits of those policies.

4 important aspects

Lastly, we must highlight four important aspects:

- 1. Deliberate Action vs. Cash flow problem:** What many analysts mistook for a cash flow problem, especially the delays in paying contract workers in the past, was nothing more than a deliberate action by the National Treasury, taken in order to avoid a significant increase in liquidity, and thereby, supposedly, help control inflation.
- 2. Efficiency vs. New Economy:** It's well known that the Government is looking to develop alternative sources with regard to the economy, what the President has called the new socialist economy. Therefore, ministries and state-run entities (especially PDVSA and CANTV) are prioritizing their supply and service contracts to these emergent sources (communal councils, social production companies, among others) to the detriment of their traditional sources. This has a significant impact in terms of efficiency and noticeably delays projects, since most of these alternative sources



don't have the expertise, the technological development, nor the managerial skills to carry out these projects.

3. **The role of bureaucracy and corruption:** Though this is not the only Administration to have this problem, it is quite prevalent in the execution of current public policies. And it's Government officials who are hiding the reasons why with so much money available, Public Administration is so slow.
4. **The eternal problem of establishing priorities:** The key issue here is establishing what exactly is most important to this Government; and what's the criterion being followed for the distribution of resources, because it isn't what the country necessarily needs what is being executed.

And lastly, we would like to point out that even though these resources give the Government a certain amount of freedom with regard to making fiscal adjustments; we are not in the presence of a stabilization fund. The difference lies in the fact that these resources are the product of an oil boom and acquiring debt, and not of saving revenues. A stabilization fund is for saving surplus revenue from extraordinary revenue, a product of an increase in oil prices and stable spending. So, in our situation, the problem, in the short term, doesn't have so much to do with the availability of resources as it does with the sustainability of the State in the future and the quality of public policies that are being generated. This type of reform hasn't been carried out by this Administration.

Economic Tips

First quarter 2009 inflation. The National Consumer Price Index reflected a month to month increase in prices of 1.2% (and 28.1% for the last 12 months), with the accumulated rate for the first quarter of the year of 4.8%. The Caracas Metropolitan Area Consumer Price Index shows inflation for the month of March at 1.5% which put inflation for the first quarter of the year at 5.4% and an inflation of 29.5% with respect to March 2008.





Accommodating monetary policy. In order to avoid a stronger crisis impact over the economic growth and to promote the credit demand, the interest rate operations to reabsorb liquidity 28 days and the 56 days were down by 2 points, closing at 6% and 7% respectively. This promotes to the financial system more liquidity to acquire the new internal debt emissions. But this accommodating monetary policy will have its cost in higher inflation

The Government to seek financing by issuing 5 types of bonds. The Ministry of Economy and Finance (MEF) announced that as of April 6 the Government will begin to issue 5 types of bonds that banks will be able to purchase: treasury bills, Fixed interest bonds, Vebonos, TICC, and Agriculture bonds. Resources earmarked for mop-up operations deposited in the BCV will be used. From now on the BCV will issue bonds through the MEF at a higher yield than BCV mop-up operations.

Issuing has started. The MEF began the placement of Agriculture bonds and Vebonos. The first issue of Agriculture bonds was for VEF 500 million, of that amount VEF 143 million were placed. All of the VEF 100 million Vebonos issued was placed.

Agriculture bonds will be a priority. Between April and June, VEF 1.70 billion of Agriculture bonds will be issued. The vice-Minister of Agriculture, Richard Canán, announced that the resources collected through this placement will be used to finance small and medium sized producers. Plus, 15% of bank agriculture portfolios will be able to be covered by these bonds.

Bonds in secondary market. According to a resolution published in the *Gaceta Oficial*, the BCV has authorized the placement of new debt bonds issued by the Government in the secondary market, in other words, the banks that acquire the bonds, in bolivar denomination, are able to negotiate them with other financial institutions.

2008: Less social spending funds. According to the Government, social spending is of vital importance and it represents one of its main political objectives, however, in 2008, resources allotted for Missions and other special projects totaled 57.1% of spending, while in 2004 it totaled 61.4%, according to figures released by Social Indicator Systems (SISOV).

New Japan-Venezuela fund. During President Hugo Chávez tour of Asia, he signed an agreement with Japan to create a strategic liquidity fund of US\$ 4.0 billion. No other information has been released regarding this agreement.





Interest rates: The lending rate at the close of the second week of April was down by 1.9% compared to the first week of the month, closing at 21.82%. Time deposits decreased by 3.0%, going from 16.53% to 16.03%. The savings rate showed a decreased of 2.8%, closing at 14.0%.

International reserves: The international reserves were up by 1.9%, going from US\$ 28.59 billion at the close of the fourth week of March to US\$ 29.13 billion in the first week of April.

Money supply: At the first week of April, money supply showed a slight decrease of 1.5% compared to the fourth week of the previous month settling at VEF 190.914 billion.

Oil Tips

IEA expects drop in oil demand. The International Energy Agency (IEA) lowered its estimate of world oil demand by 400,000 barrels per day leaving the world demand for 2009 at 83.4 million per day, which is 2.4 barrels less than what was registered in 2008. The IEA estimates that demand will drop to 82.8 million barrels per day during the second quarter, recovering slightly during the second half of the year. It also pointed out that low oil prices could create tension in the future due to low levels of investment.

Production: March 2009. According to OPEC estimations, on March, the Venezuelan oil production (daily) was 2,050 thousand barrels, that means a decreased of 15.64% if we compared it with the results of January 2008. Closing the first quarter 2009, the production average dropped 12.9% considering the same period of the previous month.

North Sea: less oil production. Due to the world financial crisis, United Kingdom gas and oil production in the North Sea could drop due to lower levels of investment caused by low prices which will affect the exploration of one of the most important deposits in the North Sea. Information released by Deloitte shows that for the first quarter 2009, compared to the first quarter 2008, the number of explored well drilled in the North Sea have dropped by 78%.





PDVSA restarted the delivery of solids in the eastern part of the country. PDVSA restarted dock operations and delivering solids from the José Antonio Anzoátegui Industrial Complex. PDVSA informed that the up-graders deposit around 36,000 tons of sulfur and 180,000 tons of coke which need to be removed.

Crude oil export to China to increase by 62%. Looking to substitute one of Venezuela's main clients, the United States, the Venezuelan Government is expecting to increase its oil exports to China by 62% by 2013. This will require a great effort by PDVSA, since currently, 380,000 barrels per day are already being exported to China. **Ecoanalítica** estimates put the number of barrels of oil exported to China at no more than 100,000 b/d.

Japan to participate in the Orinoco Oil Belt, Junín 11 block. The President signed agreements with Japan so that companies from that country could begin to work alongside PDVSA as a mixed company in Junín 11 block of the Orinoco Oil Belt. The President assured that this block would produce 30.0 billion barrels of oil at an extraction cost of US\$ 1.5. During the next two years, Japan Oil, Gas and Metals National Corp, Inpex Corp, and Mitsubishi Corp will carry out reliability studies with Venezuela on the Orinoco Oil Belt area.

More agreements with Japan. A memorandum was signed between PDVSA and the Marubeni company to carry out a study of potential financing structures for the development of industrial buildings in the heavy crude oil up-grader complex of the Carabobo and Junín blocks. Another three memorandums of understanding were signed between Pequiven and Marubeni, Mitsui and Mitsubishi to study the possibility of developing oleofinas and polyethylene at the Petrochemical complex in the new fertilizer plant of the Jose complex and the refining complex of Paraguaná.

Agreements were also made in the gas sector. Venezuela agreed to begin to participate in the development of gas fields for the production of liquid natural gas with Mitsubishi, Itochu Corp, Mitsui & Co and Marubeni Corp. Exporting liquid natural gas from this project could begin after 2013.

Guatemala signs agreement with Venezuela within the framework of PETROCARIBE. Three ministers from Guatemala will visit Venezuela in order to sign a fuel supply contract within the framework of the PETROCARIBE program. 40% of what is purchased will be paid within 90 days and the rest will be financed at 25 years with a 1 % annual interest rate.





Delivery of oil and oil by-products to U.S. increased. Even while President Chávez is trying to diversify the countries crude oil market, IEA figures show that Venezuela continues to increase its deliveries of crude oil to the U.S. In January, oil exports increased by 1,172 b/d, up by 14% compared to the 1,028 b/d delivered in December 2008.

Oil GDP shrinking. The oil GDP could be significantly affected by the cutback in production, some drilling platforms being shutdown, and by the expensive contracts that PDVSA has which directly influence the company's levels of investment. Company officials have recognized the "difficult times" that the company is facing, due to the debts to its materials and service suppliers, which has forced the company to renegotiate contracts with local and foreign companies, but with no definite results to date. Our estimates point to the oil sector shrinking by at least 7% compared to 2008.

Oil up. The stock market gaining ground and the increase in demand of distilled products in the U.S. led the Venezuelan basket to post an increase during the second week in April, compared to the previous week, of US\$ 1.13 and settled at US\$ 46.04, which places the yearly average at US\$ 39.16, according to the Ministry of Energy and Petroleum. However, this price is still one dollar under the modified price the Administration used to calculate the National Budget.

WTI at US\$52.51 per barrel. WTI crude oil remained virtually stable, trading on the New York Stock Exchange at US\$52.51 per barrel, almost exactly the same price as last week.

Brent up 1.3%. Brent crude was up 1.3% and settled at US\$53.47 per barrel, after a volatile session with poor news regard the U.S. economy holding back any real increases. However, Brent managed to trade at US\$54.26, moving on news of the G-20 Summit agreement in London to stop the recession.

OPEC: doesn't need oil to be at US\$ 75 a barrel. According to The Centre for Global Energy Studies, the OPEC does not need crude oil prices to be at US\$ 75 to improve its production capacities. The report points out that the problem is not the supposed cost of developing and increasing production capacity, but that the economies of OPEC countries continue to depend too much on the benefits that come from oil.

European refining in March dropped to lowest levels since 2006. Western Europe oil refining margins dropped in March to their lowest monthly average in more than two





years. Brent North Sea crude oil processing margins at the Rotterdam oil center averaged US\$ 1.53 a barrel in March, the lowest level it's been at since December 2006, when they averaged 74 cents a barrel.

Business Sector Tips

CADIVI introduces more restrictions. CADIVI to begin to review the list of products that require no domestic production certificates and to verify with the appropriate ministries that issue of no domestic production certificates and well as verify the quantities authorized and any other requirement deemed necessary by the Administration.

CADIVI with 45 day delay. After having authorized and liquidated the foreign currency owed to the banking system and forced a group of banks to limit their customers credit card consumption abroad, CADIVI has once again begun to authorize foreign currency and the emergency is starting to subside, but the system is still maladjusted. Currently, finance institutions are getting their CADIVI authorizations 45 days after consumers have used the money, something which increases the risk assumed by finance institutions.

Public Offer Acquisition on CANTV shares authorized. The National Securities Exchange Commission has authorized the Ministry of Telecommunications and Information Technology to initiate the Public Offer Acquisition on 100% of CANTV class "D" shares. The Exchange Commission set the price for the shares at VEF3.4615 per share and it also authorized to lift the decision to suspend the trading of CANTV shares that are registered in the Caracas Stock Exchange.

Nationalization of cement companies to be finalized. Jesús Paredes, the vice-Minister of Basic Industries and president of the National Cement Factory announced that in a period not to exceed four months, all the shares from the cement companies CEMEX, LAFARGE, and HOLCIM will be transferred to the State. The three foreign companies, along with Venezuelan Cerro Azul and Cemento Andino, will make up a national cement company run by the State.





Foreign Affairs Minister of Spain sees agreement between Government and Santander, but not nationalization. The Spanish Minister for Foreign Affairs, Miguel Ángel Moratinos, announced the possibility that the Venezuelan Government would not nationalize the Banco de Venezuela, but rather that there would be an agreement between the Government and the Grupo Santander, some along the lines of what happened to the company REPSOL YPF in Ecuador. He continued to say that the Spanish Government was working towards helping this agreement become a reality and it was holding meetings with the Ministry of Economy of Venezuela and the Grupo Santander board.

Stanford sale. The process by which the bank will be sold will take place during the next few days. Those interested in bidding must fulfill all the requirements set forth by the SUDEBAN between the 13 and the 17 of April.

State takes control of public employee's insurance policies. The Bolivarian Insurance and Re-insurance Company which will begin operations this year will manage the insurance policies of more than 2 ½ million public sector employees, among them employees of the CNE, the Supreme Tribunal of Justice, and the National Assembly. According to the decree published in the *Gaceta Oficial* in August 2007, this insurance company will be ascribed to the MEF and it will have enough capital to become a re-insurance company.

“They haven’t paid us our subsidy.” The measure announced by the Ministry of Agriculture which granted a subsidy of VEF 1.82 per kilo for the production of rice has yet to become official and published in the *Gaceta*. The vice-president of the Producer’s Association of Guárico state, Demetrio Frailes, pointed out that the agro-industry is paying an incentive for quality of VEF 0.10, but the subsidy hasn’t been paid by the Administration.

Now it’s the hotel’s turn... The Ministry of Tourism is expected to regulate hotel rates nationwide after it completes its inspection of every region in the country.

Toyota assembly plant began operations again. On April 6, the Japanese assembly plant began operations again after the strike which started on March 6. According to the company’s estimates, the strike cost between 2000 and 2500 cars being assembled, with only 413 cars being assembled during the month of March.





Electric power unions insist on beginning talks about their collective bargaining agreement. Leaders from the C.A. Luz and *Fuerza Eléctrica* (CALIFE) Workers Union have requested that the Ministry of Labor and the national Electric Corporation (CORPOELEC) continue talks concerning their collective bargaining agreement. The union is made up of 36,000 active workers.

Investment in housing dropped in 2008. Even though revenues were high in 2008, due to high oil prices, it didn't translate to more investment in housing. President Chávez insists that investing in the housing sector is a priority, however, figures from the Social Indicator System of Venezuela (Sisov) show that investment in the housing sector dropped in 2008. Public spending on housing represented 2.33% of GDP when in 2007 it was at 2.88% and in 2006 it was 3.79%.

...and in 10 years, only 385,869 houses have been built. The demand for housing continues to be higher than the supply. It's been difficult for the Government to fulfill its housing plans, and though Chávez assures that it is one of his priorities is to create more housing solutions, the facts say different. A study carried out by the Venezuelan Construction Chamber shows that during the 10 years Chávez has been in power, 385,869 houses have been built, which is equal to 38,587 houses per year.

World Crisis Tips

Obama hopeful facing the crisis. On April 14, Barack Obama, President of the United States, assured that there are "rays of hope" in the U.S. economy, though it is still not out of the woods yet. He continued to say that he would soon be announcing the next wave of measure to fight the crisis.

Bernanke: signs of the economy stabilizing. The president of the U.S. Federal Reserve, Ben Bernanke, assured that according to the latest figures from the real estate sector and consumer activity, the beginnings of signs that the situation is getting better are evident. In his latest statements he acknowledged that "recently" tentative signs have appeared which indicate that the drop in economic activity may be slowing down, this supported by recent figures of house sales, housing construction, and new car sales.





Despite the fact that U.S. deficit has reached US\$ 956.80 billion in six months. The U.S. deficit is at US\$ 956.80 billion during the first six months of the tax year which started on October 1. This more than triples what it was the year before. Tax revenues during the first six months of the tax year were at US\$989.80 billion, down by 13.6 % compared to the same period last year. Government spending was at US\$ 1.95 trillion up until March, up by 33.4 % compared to the same period the year before.

Mundell requests to add Yuan to SDR basket in 2010. Robert Mundell, Nobel Prize in Economy, stated that the Yuan should be included in the basket of currencies that make up the IMF's Special Drawing Rights next year. This would be an important step towards creating a world currency reserve. Mundell believes that the volatility between the different exchange rates contributed to the financial crisis.

Chinese economy improves. Chinese Prime Minister, Wen Jiabao, announced that the Chinese is showing better results than expected during the first quarter as a consequence of its stimulus package. A number of analysts consider that China is beginning to recover due to the stimulus of the US\$586.0 billion package the Government has extended to promote loans, the demand for steel, and other materials. However, they warn that these indicators are tentative and that they show the effects of Government spending, while private consumption and investment remain weak.

China not damaging relations with U.S. China, in an attempt not to damage relations with the U.S., responded to President Chávez' invitation in a very modest fashion. Riordan Roett, Latin American specialist at the University of Johns Hopkins in Baltimore, states that Peking is careful to avoid any initiatives which may damage its relations with the U.S. As an emerging power, China is playing a double game, keeping President Barack Obama happy as well as keeping the South America happy.

European Union to help poor countries. The European Commission (EC) has presented a plan to help developing countries to overcome the economic crisis in order to streamline the help that has already been promised, monitor its efficacy, and to encourage member states to fulfill their humanitarian responsibilities. According to the calculations of the EC, the volume of European help must reach €69 million in 2010, plus mobilizing other funds through the European Bank.

Being felt in Latin America. Fewer exports and less remittance, these are the main impacts that the world economic crisis is having on Latin American and Caribbean countries, a region that for the first time in six years has fail to continue to grow,





according to information released by the CEPAL, the World bank, and the International Development Bank (IDB). According to the IDB, this tendency shifted during the fourth quarter 2008, though the year still reflected growth in remittances, US\$ 69.20 billion sent, up slightly by 0.9% compared to 2007. The Multilateral Investment Fund of the IDB assures that remittances in 2009 will be negative.

Also for private companies. The risk that Latin American companies will not be able to find the necessary financing they require to continue operations has increased significantly during the last six months, putting a number of companies at risk, according to a report released by Moody's. Their experts also believe that the risks regarding liquidity have also increased, as well as foreign financing, due to the significant economic slowdown in the region during the last six months.

Political Tips

Irreversible Socialism. Minister of Planning, Jorge Giordani, declared that the process to construct socialism in Venezuela must be made irreversible. He also stated that economic transformations are slower than political ones.

ALBA Summit. President Hugo Chávez announced that the ALBA Summit on April 16 will be held in Cumaná. The heads of state from Honduras, Nicaragua, Cuba, Dominica, Bolivia, Ecuador and Paraguay will attend.

Going after Ledezma's office. In its second discussion and approval of the Special Law for the Rule of the Capital District, it was decided that building where the Caracas Metropolitan Mayor's office is located at the north end of Bolívar plaza will now be where the head of the Capital District Government will have their office. It was also decided that almost all of the Budget assigned to the Caracas Metropolitan Mayor's office will be transferred to the Capital District office.

Planning to integrate Barrio Adentro Mission to hospital network. The Minister of Health is moving forward with a plan to integrate Barrio Adentro with the network of hospitals in order to design a new public health system. The vice-Minister of Social Networks and Services and regional director of Health for the Metropolitan District, Estanislao González, announced that they expect the 84 ambulatories and the 5





people's clinics, the 1,100 Barrio Adentro centers and the 14 hospitals in the Capital District to work in a joint fashion.

Colombian – Venezuelan agenda: Bi-national trade and investment. President Chávez along with Colombian President Álvaro Uribe, in their second meeting, will be discussing trade and the economies of both countries are dealing with the economic crisis.

CNE with access to death certificates. In part to guarantee that death certificates are issued for free and to standardize the regulations and procedures, the Civil Registry will allow the Civil Registry and Electoral Commission to collect information on the deceased being processed by parochial and municipal authorities.

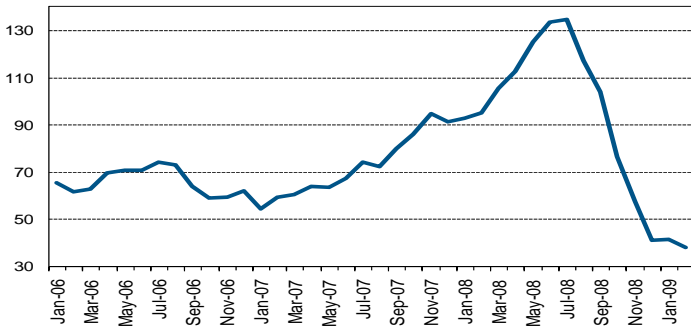
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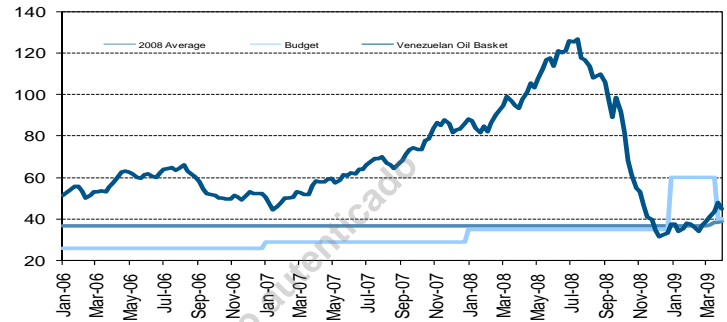


ECONOMIC OVERVIEW

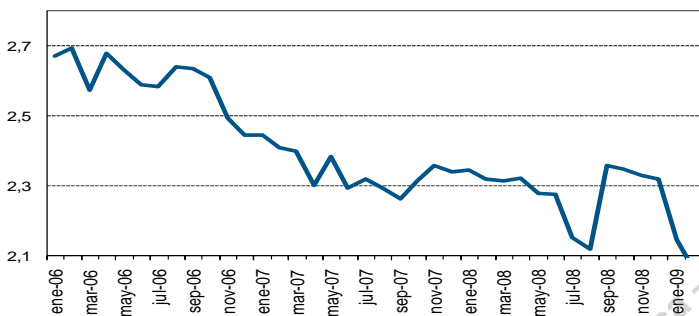
Oil Prices (WTI US\$/pb)



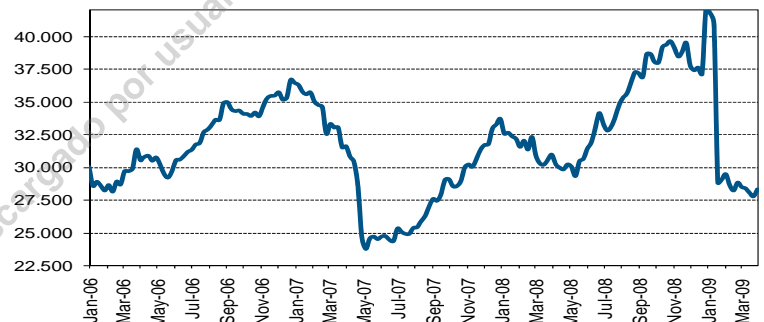
Oil Price (Venezuelan Basket US\$/pb)



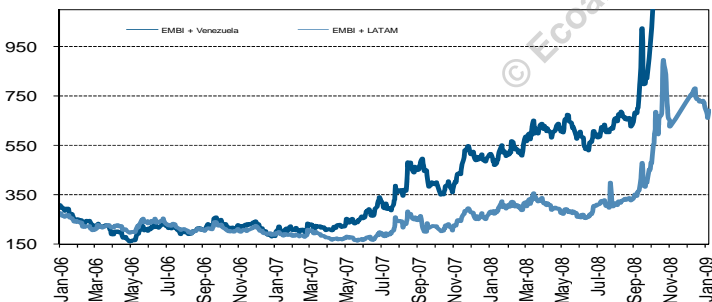
Oil Production MMBD



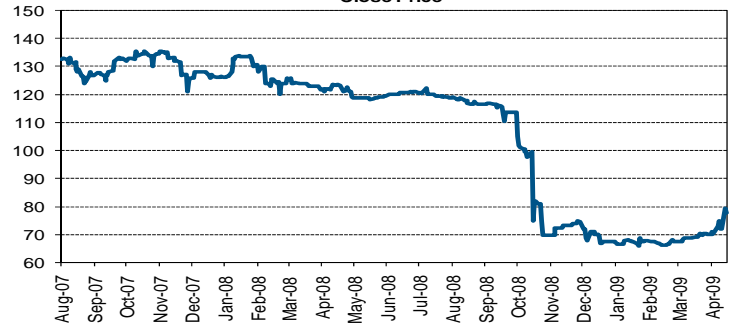
Fx Reserves - BCV (US\$ Million)



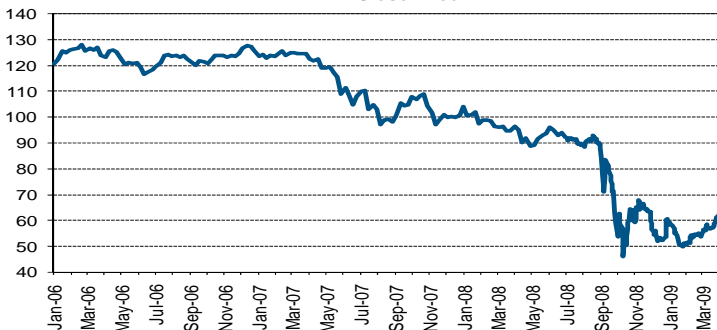
EMBI+



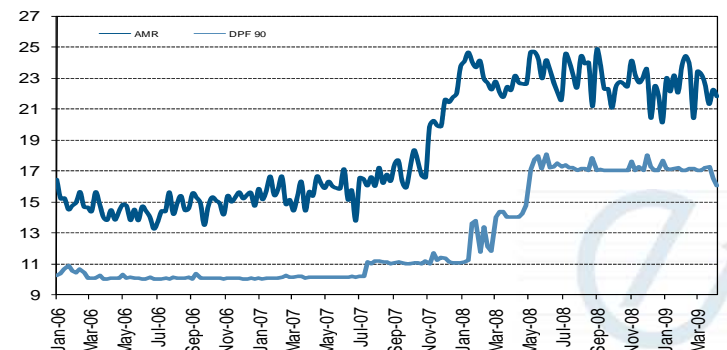
Venezuelan Global 18 Close Price



Venezuelan Global 27 Close Price

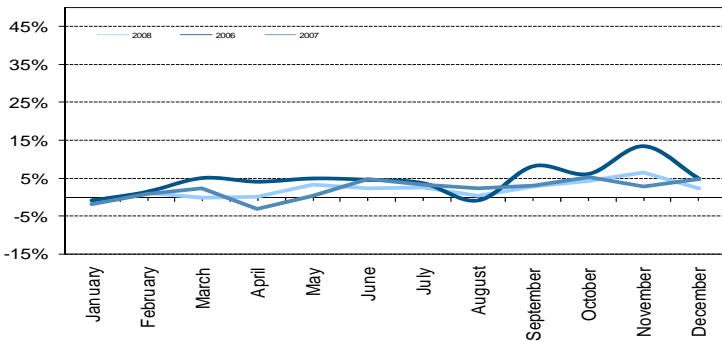


Interest Rate (Six Principal Banks)

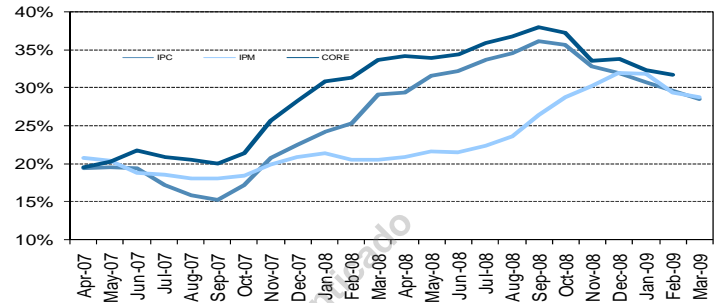




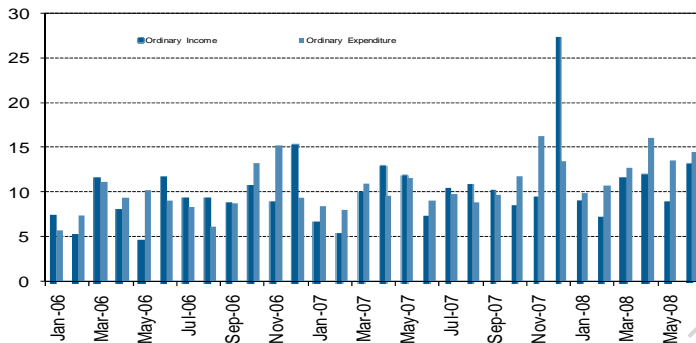
Real Expansion (M2)



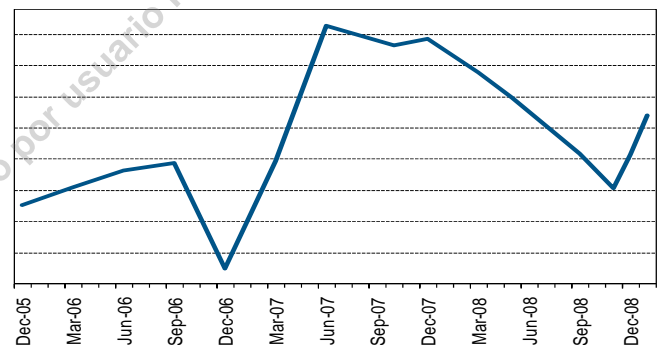
Inflation (Last 12 Months)



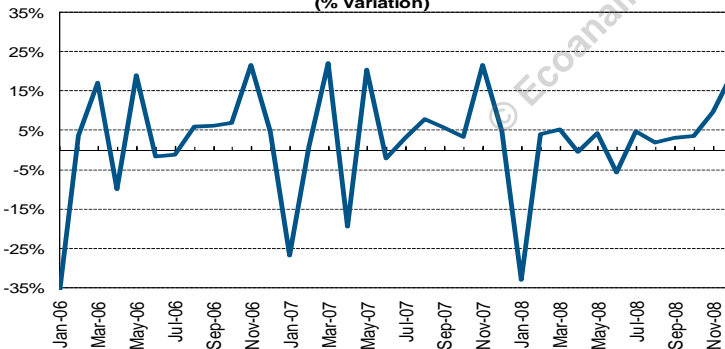
Central Government (VEB Billion)



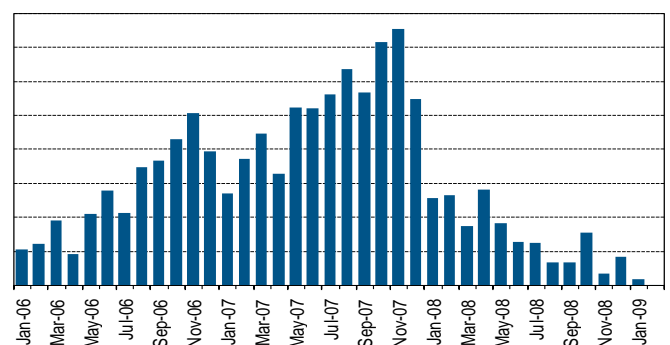
Resources of the State (US \$ MM)



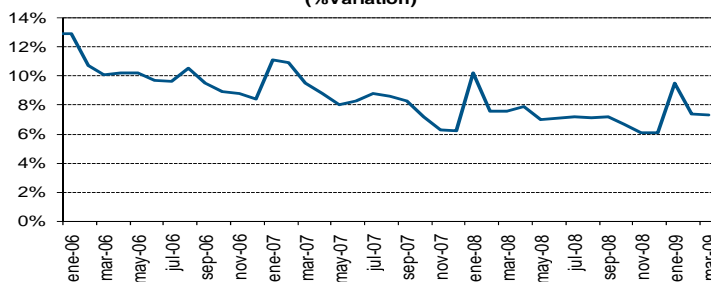
Volume of Sales (% Variation)



Sale of Vehicles (Thousands of Sold Units)



Rate of unemployment (% Variation)



Disbursement (US\$ Million)

