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By:

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**2009 BUDGET LAW. THE STORY  
REPEATS ITSELF: IT'S  
APPROVED...BUT NO ONE EVER  
STICKS TO IT**

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Last week, the Minister of Finance, Alí Rodríguez, presented the National Assembly with the draft of the Budget and Debt Law (Paraguas) for the coming year. At *Ecoanalítica*, we believe that this is a mere formality. This new law doesn't introduce anything new and is the same as all the previous Budgets. The Government continues to apply small shopkeeper policies, continually making adjustments to keep in step with oil prices and clearly basing the budget on underestimated macroeconomic facts with have nothing to do with real economic conditions.

**The crisis is  
affecting us...but  
not that much**

An important point is the fact that Minister Rodríguez Araque in fact does recognize that Venezuela is affected by the current world financial crisis due to the drop in oil prices, but he affirmed that thanks to the "independence" that the domestic economy has had since 1999, "we have a solid position in terms of international reserves. These are the fruits of policies that are devoted to the people." It's true that the oil boom has allowed the Government to accumulate extraordinary resources, but they are not inexhaustible, they only allow the Government to postpone the inevitable adjustment that needs to be made, in the event that oil prices continue to remain low over the long term. Whether oil prices will remain low over the

long term is something that we can't be sure of at this moment due to the significant volatility of international markets.

**You can put anything down on paper**

Now that the Minister of Finance has presented the 2009 Budget for the year, at **Ecoanalítica**, we would like to make some comments regarding the budget and to contrast a series of (supposed) macroeconomic facts that are included in the document with events that we expect will take place in the coming year. But, first of all, we'd like to make it very clear that we don't think that this Yearly Budget Law or the Debt Law has very much to do, or in anyway is an accurate measure of what the Venezuelan Government's actual fiscal policy will be for the coming year.

**Just like a shopkeeper...**

In Venezuela, fiscal policy is ruled by how oil prices behave. If they are high, the Government can count significant amounts of extraordinary resources which lead to high levels of out-of-budget spending.

**... If oil prices are high, the Government spends a lot**

So, when we are in an oil bonanza, the Government significantly undervalues the price of a barrel of oil for the Venezuelan oil basket, which allows it to discretely manage all surplus resources.

The period between 2006 and 2008 is a good example of what we are saying. Originally in 2006, the National budget was set at VEB 87 trillion (VEF 87.0 billion), in other words fiscal spending was expected to be limited to this amount during the year. The Government ended up spending almost VEB 129 trillion (VEF 129.0 billion), in other words, it went over the budget by VEB 42 trillion. The reason for this was that the average price of a barrel of oil for the Venezuelan basket was at US\$ 56.40 per barrel, while the price per barrel of oil that the National budget was based on was set at US\$ 26 per barrel. In 2007, the same thing happened again. The National Budget, fiscal spending, was set at VEB 115 trillion (VEF 115.0 billion), and by the end of the year fiscal spending had reached 143,24 billions (VEF 143.240 millions). In 2008, we're following the same path. Fiscal spending for the year was set at VEF 203.298,9 millions.

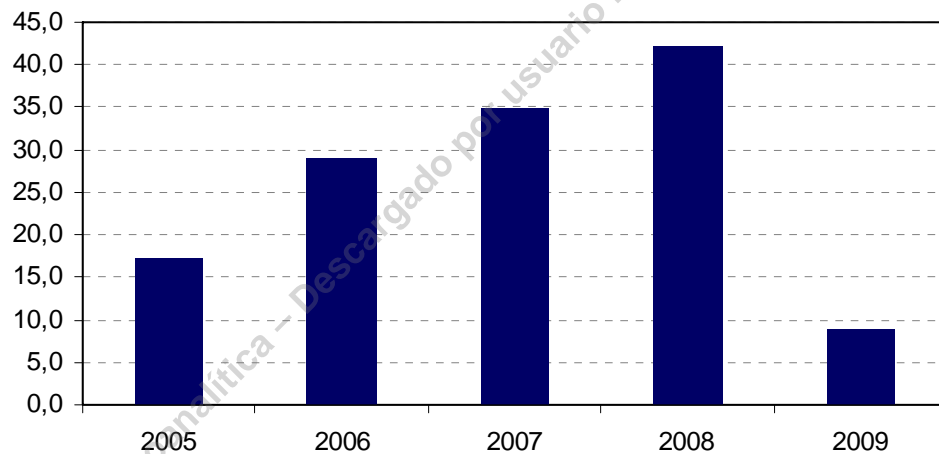
**But, if oil prices are low, there're cutbacks**

This year is a bit different. It is very probable that oil prices next year will be at much lower levels than they were this year, but the Government based the National Budget on an average price per barrel of oil of US\$ 60. This is quite high if we compare it to the oil price the Government based this year's Budget on. But, this US\$60 price, albeit high, is not crazy. The Government, anticipating that oil prices may be remaining low over the long term, prefers to base the Budget on a relatively high price for oil because this gives it

more freedom when it comes time to budget its commitments, though it represents lower levels of extraordinary resources in the future.

For example, in 2008, given the ridiculous difference between the oil price set for the Budget and the real price of oil on the market, the Administration's surplus resources should be around US\$ 42.26 billion. Next year, if the Venezuelan oil basket is at US\$ 70 per barrel, surplus resources will be around US\$ 8.03 billion, which is to say only 19% of the surplus that was taken in this year. If we are a bit more optimistic, and oil prices are at US\$ 80, surplus resources taken in will be around US\$ 16.06 billion.

**Oil Surplus  
US\$ MMM**



Sources: Bloomberg, National Budget and Ecoanalítica

### In fact... The Government did cut it back

The Government is estimating public spending for 2009 at VEF 167.40 billion, which according to the Ministry of Finance, represents 23.7 points of GDP. This figure is VEF 30.10 billion more than what was originally budgeted, but less than what we, at **Ecoanalítica**, estimate that the Government will spend this year (around VEF 180.00 billion). These projections point to fiscal policies being adjustable next year, more dependant than usual on oil prices. If oil prices go up, then fiscal spending next year will be significantly higher with extra resources being granted through supplemental appropriations.

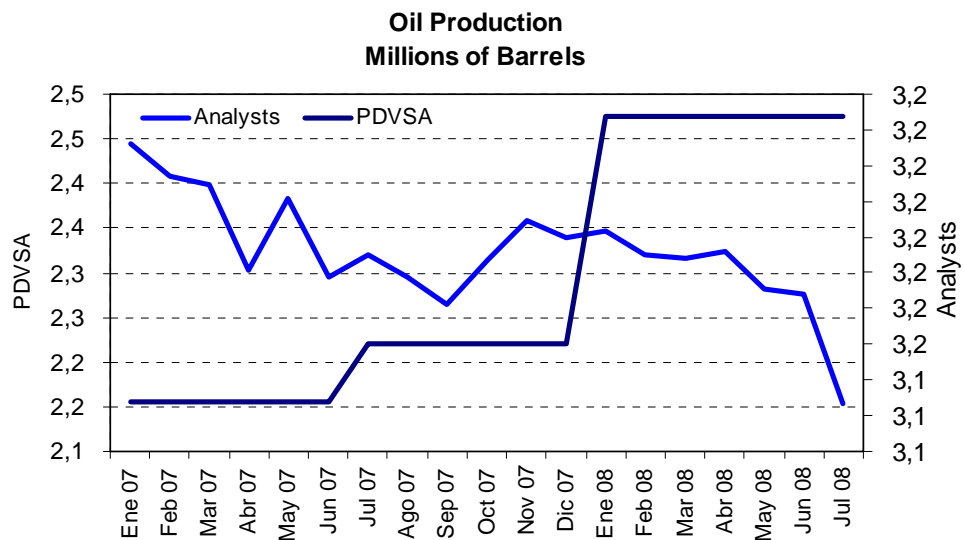
If oil prices continue to drop or remain very low, the Government will carry out a series of inefficient fiscal adjustments which will be based on simply delaying National Treasury payment orders, where the spending that will be most affected will be those transfers to regional and local governments; infrastructure investment spending; and State labor benefit payments.

### Which country is the 2009 Budget designed for?

The 2009 Budget plan includes a number of proposals based on key macroeconomic facts like the GDP, the exchange rate, inflation, and other such things. Venezuelan Government's are notorious, and this one in particular, for underestimating some of these variables and presenting a very conservative scenario in order to be able to have a freer hand in administrating Budget polices throughout the year.

### It doesn't seem to be Venezuela

With respect to the oil industry, the Budget introduces a number of significant discrepancies with respect to oil production, compared to the figures released by independent international agencies. As a "policy" the Government maintains that average oil production will reach 3.6 million b/d (and exports 2.99 million b/d). This figure continues to promote the confusion that surrounds real Venezuelan oil production by including liquid gas production and the production of other oil by-products, figures that aren't traditionally included in "oil production" figures. All international agencies which monitor oil production figures around the world like the IEA, OPEC, IMF and others place Venezuelan export production at around 2.1 million b/d, and they report that Venezuelan oil production may increase slightly next year to a maximum of 2.3 million b/d. With respect to the price of oil, at **Ecoanalítica**, expect it to average at around US\$10 more than what the Budget was set at, in other words, US\$70 per barrel.



Sources: OPEP, EIA, PDVSA and Ecoanalítica.

With respect to non-oil revenues (Tax collection-SENIAT), the Government expects to collect the equivalent of 48,6% of the resources budgeted in the 2009 National Budget, in other words VEF 75.407,4 millions. We estimate that non-oil tax collection will reach around VEF 90.0 billion next year. Another fact which distorts the national Budget is that there is no mention of raising taxes or introducing new taxes, but we know that the Ministry of Finance is contemplating increasing the VAT to 12% and re-introducing the Bank Debit Tax (at 0.05%) in order to generate additional tax revenues equaling around 4% of GDP.

## Very optimistic with regard to growth

The Administration estimates that economic growth will be at 6% next year. This figure seems high, especially if you keep in mind the current global crisis we are going through. In fact, the International Development Bank (IDB) assures that Latin America will grow at around 3 or 3.5% in 2009, which supposes that the region will suffer a significant economic crisis and economic slowdown (in 2007 it grew at 5.7% and in 2008 at 4.5%). In this context, we estimate that the Venezuelan economy will grow at 2.9% next year, which will be a considerable slowdown compared to 2008, when we estimate that it will grow at a rate of 6.1%.

## Seriously?

The Government is expecting to hold inflation next year to 15%. Here, it would not be inappropriate to ask if this is some kind of a joke: in a scenario as difficult as the one that is expected for the coming year, and given that inflation is a structural problem, expecting to cut inflation by almost half, sounds like a pretty tall order to put it politely. This is setting up a scenario like what happened this year, with the Government setting an unrealistic goal for inflation (11%), and then having to scratch that inflation estimate and setting another one (19.5%), only to have to slash that estimate and inflate it even more (27%). We estimate inflation to close 2009 at 21 percentage points higher than what the Government is expecting (36%).

## What's social is not always social

According to Minister Rodríguez Araque, the tendency to increase the amount of National Budget resources being used for social spending in 2009 will continue. According to the Ministry of Finance, in 2006, social spending represented 40% of the National Budget, in 2007, 41% of the Budget, and in 2008, 45%. This coming year, social spending will reach 46.2% of the Budget, exclusively they will consume 12.5% of the Budget; compared to this year when said amount was budgeted at 4%.

Not all this amount is necessarily direct social spending. An important percentage (around 60%) is earmarked for paying salaries and wages, as

well as labor benefits. So, the so-called “social investment” is more likely around 18% of the total budgeted. In 2008, according to our calculations, social spending represents 17% of the total, so it would only be a 1% increase.

## Opacity continues

When FONDEN was established in 2005, the 2007 Budget law stated that FONDEN contributions and spending would be included in it. The truth of the matter is that neither in 2007, or 2008, and now in 2009 has the Government included FONDEN in the National Budget. An important point, for example, is to determine the estimated amounts of the contributions that will be made by the BCV and PDVSA to FONDEN in 2009. In fact, the 2009 Budget Law only mentions a “triangulation mechanism” made up by PDVSA, BCV, and FONDEN: “PDVSA, along with BCV, are feeding the National Development Fund, with resources coming from hydrocarbons and international reserve surpluses. The FONDEN also receives funds from the resources generated by the Windfall Tax from the International Hydrocarbon’s Market revenues...which allows Venezuelan finances to be strengthened.”

With respect to the amount BCV contributes to FONDEN, the BCV Law established in article 75 that:

“ The Central bank of Venezuela will inform the Executive Office in a timely manner, or at its request, with regard to the economies behavior concerning the adequate level of international reserves...it **will also preset to the Executive Office the result from the study which shows the Adequate Levels of International Reserves in order to better draft a national Budget** and to also be included in the in the Yearly Policy Agreement which has to be signed by the Executive Office and the president of the Central Bank of Venezuela, according to what is established in article 320 of the Constitution of the Bolivarian Republic of Venezuela.”

So, the 2009 Budget, is much like its predecessor, not reflecting the real situation of Venezuelan public finances, based on undervalued, un realistic macroeconomic variables.

Concept	2005		2006		2007		2008		2009	
	Premise	Result	Premise	Result	Premise	Result	Premise	Ecoanalítica	Premise	Ecoanalítica
GDP Growth (%)	5	9,3	5	10,3	6	8,4	6	6,1	6	2,9
Inflation (%)	15	14,4	12	17	12	22,5	19,5	28,4	15	36,2
Official Exchange Rate	2,15	2,15	2,15	2,15	2,15	2,15	2,15	2,15	2,15	2,9
Oil Price (US\$/ bl)	23	41	26	56,4	29	65,0	35	101,1	60	69,9
Total Expenditure (% of the GDP)	30,9	26,0	30,5	30,0	31,9	25,7	34,8	27,4	23,7	25

Sources: BCV, MEP and Ecoanalítica.

## Economic Tips

**Venezuela took measures to avert crisis.** Former Vice-Minister of Finance Eudomar Tovar stated that Venezuela has taken the necessary measures to face the financial crisis, and that it will not have the same impact domestically as in other open economies. He also informed that Venezuela's international reserves amount to US\$40 billion, which guarantees flows of payments and imports.

**Chávez comments on extraordinary resources.** The Venezuelan President informed that, counting international reserves and special funds, the government's resources total some US\$100 billion, distributed as follows: US\$40 billion in international reserves, over US\$30 billion in the Fonden, US\$4 billion in the *Fondo de Ganancias Súbitas* –or windfall profits fund-, and US\$12 billion in the China-Venezuela joint fund. The president's estimates overstate FONDEN's available resources, because according to our estimates, this fund's available resources amount only to some US\$11 billion.

**Chair of the Finance Committee has a different estimate.** Ricardo Sanguino pointed out that, without counting the international reserves, which total US\$40 billion, the government has resources of around US\$30 billion including funds such as FONDEN, BDT, the National Office of the Treasure, among others.

## OIL TIPS

**A sharp fall.** The price of the Venezuelan oil basket plunged suddenly, closing on the third week of October at US\$68 per barrel, accumulating a 46-percent drop since the peak US\$126.46 on July 18, and a 16-percent drop from the previous week. With this result, the year-to-date average is US\$101.33.

**Prices rise as reaction to production cut.** Oil prices increased early this week in the midst of expectations of OPEC cutting production in the near future. As a result, WTI November contract rose US\$1.66 to US\$73.51 per barrel, while Brent November contract increased US\$1.46 to US\$71.06.

**US\$80 is enough.** President Chávez expressed that the country's economy is sound enough to avert the world economic crisis, and said that if the price of oil stabilizes at US\$80, that would be enough, because the country has protection mechanisms through additional funds.

**PDVSA's Production.** According to the state-owned oil company, daily production of oil in the first half of 2008 was 3.24 million barrels per day. According to OPEC's September report, Venezuela produces only 2.33 million barrels per day.

**Increase of proven reserves.** The Ministry of Energy and Petroleum informed through an official communication that proven oil reserves in the Venezuelan subsoil reached 142.31 billion barrels, after the recent incorporation of 7.44 billion newly certified barrels. With this figure, Venezuela has now the world's second-largest proven oil reserves, after Saudi Arabia (260.0 billion barrels).

**"We are not crazy, we are not drunk."** President Chávez defended the calculation of the oil price of US\$60 per barrel in the 2009 national budget, and assured that the government has been responsible in calculating fiscal accounts for next year.

**Readjustment of demand.** According to OPEC's last month's report, the increase in the demand of crude oil has moved from 1.02% to 0.6%, which suggests that this year the world will consume only 550,000 more than in 2007, with a daily average consumption of 86.45 million barrels. This is 330,000 barrels under OPEC's September estimates for this year.

**Rise and fall.** According to OPEC's monthly report, the most industrialized countries show a fall in the demand of 1.81% in 2008, and the downward trend will remain in 2009, totaling 0.79% less than in 2008. The report adds, however, that Latin America and the Middle East will need more crude in 2009 and will have an increase in consumption of 3.12% and 4.31%, respectively. On its part, China will increase its consumption in 5.85% in 2008 and 4.96% in 2009.

**Extraordinary meeting brought forward.** Last Thursday, OPEC announced officially that the extraordinary meeting convened to assess the impact of the financial crisis on the oil market will be held on October 24, not on November 18, as it was originally scheduled.

**Plans of a significant cut.** According to the OPEC President, Chakib Khelil, the organization will reduce crude supply significantly, in order to re-establish the balance between supply and demand. The decision would be made at the next meeting to be held next week in Vienna.

**In two stages.** The president of the group said that OPEC could cut supply in two stages; the first stage in the next meeting in Vienna, and the second cut would be in December, in order to take the surplus crude off the market, which according to the group, stands at around 2 million barrels every day.

**Venezuela seeks new markets.** According to the chair of the Foreign Policy Committee of the National Assembly, Roy Daza, Venezuela plans to diversify its oil exports buyers in order to guarantee its income; emphasis is being made on buyers like India and China, as well as other South American countries, which benefit from preferential payment conditions.

**Latest trip to China.** In his latest visit to China, President Chávez confirmed that oil exports to this Asian country will increase from today's 364,000 barrels per day to 500.000 b/d by the end of 2009. However, sources in PDVSA point out that average exports are currently at 250,000 bpd and are expected to increase next year to 350,000 per day.

**"Sueño de Bolívar" project postponed.** Venezuela decided to postpone for 10 years the construction of the US\$4-billion "El Supremo Sueño de Bolívar" refinery, which President Chávez promised to his Nicaraguan counterpart Daniel Ortega. Nonetheless, the president assured that in spite of the financial crisis, cooperation projects between Venezuela and Nicaragua and other countries of ALBA and Petrocaribe will not be affected.

**"There is no way".** In response to US presidential candidates, which pledged to "end energy dependence" on Venezuela, President Chávez assured that the US "*there is no way, now or ever,*" to stop buying Venezuelan oil.

## BUSINESS SECTOR TIPS

**Third blackout this year.** A major power outage occurred in the morning of Sunday October 19. This is the third electricity blackout this year. On this occasion, 15 Venezuelan states were affected. However, being Sunday morning, the consequences were negligible compared to previous outages during peak demand hours. This blackout raises great concern and uncertainty among experts in the electric sector, because it occurred at a time of low energy demand and low industrial capacity.

**VEF 2.28 billion for the electric sector next year.** The 2009 Budget Bill includes the earmarking of VEF2.28 billion to expand and improve electricity generation and distribution in the country. The bulk of the amount (VEF2.13 billion) would be allocated to the development of Tocoma, the fourth and last hydropower plant on the lower Caroní. This year's budget for that project was VEF896.26 million. The remainder of the funds will be allocated to strengthen other projects or institutions in the sector.

**High impact on employment.** According to the president of the National Federation of Electrical Workers, Ángel Navas, the reform of the Organic Labor Law, which establishes a reduction of working hours from 8 to 6 hours a day, will entail the creation of an extra shift, which requires hiring over 3,000 additional people in the sector.

**185 new machines to strengthen agricultural sector in Venezuela.** The national government purchased 185 pieces of high-tech agricultural machinery, in order to boost the production of foods of small and medium producers through the "Pedro Camejo" Socialist Company.

**Import of livestock exempted from taxes.** Venezuelan VP, Ramón Carrizalez, announced that the import of livestock is exempted from taxes. Similarly, he assured that thanks to the incentives granted by the government (credits, support for the purchase of fertilizers, among others) the supply of cattle is fully guaranteed, in spite of a greater demand.

**Having a car fixed is as difficult as buying a new one.** According to data from the National Chamber Commerce of Auto Parts (Canidra), 36% of the auto part segment is affected by the delays in approval of foreign currency by Cadivi. This year, malfunction has been reported in both country-made and imported parts, but those coming from abroad are currently more difficult to get in the local market.

**MILCO sets greater restrictions to automobile businesses.** The head of MILCO, William Contreras, stated that they will only approve import licenses for automobile companies that can guarantee auto parts for at least 10 years and offer proper post-sale customer service.

**PYMI with slower growth.** The President of Fedeindustria, Miguel Pérez Abad, forecasts that the Small and Medium Industry (PYMI) will end the year with a 14-percent growth, down 1.5% or 2% from 2007. He added that although lower than last year, it is an important growth for the Venezuelan economy.

**Local banks are safe.** The President of the Venezuelan Banking Association, Víctor Vargas, said the Venezuelan private banking will not be affected by the fall in the public

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debt bonds (-20% in average in recent days). The reason is that these papers are registered in the financial statements considering their due date, so the coupons are cashed regularly. Accordingly, this type of investment represents only 30% of the banks' equity, which is the maximum established by the law.

**Negotiation of changes in lending quotas.** Vargas also added that the ABV is negotiating with Banco Agrícola to reduce the amount of compulsory bank lending quotas ("gavetas") for the agricultural sector, from VEF21.5 millions to VEF17.6 million. Vargas said that the problem with this quota is the lack of demand for this type of loans.

**CANTV with special rates.** The Vice-President of the state-owned telephone company announced that CANTV will activate a plan with special reduced rates, to be charged exclusively in low-income areas. The plan establishes a 10-percent discount in the basis rate for local calls and 15-percent discount for national long-distance calls.

**Barrio Adentro reaches 1,010 clinics.** This week, President Chávez inaugurated 14 centers of comprehensive diagnosis (CDI), which added to the existing centers, total 1,010 outpatient facilities with the Barrio Adentro II health care system. According the president, an additional 3,000 clinics are expected to be inaugurated in this health care network.

### Political Tips

**Chávez outraged by "turncoats."** President Hugo Chávez underscored that he needs state governors and mayors who support him and not people in revolutionary disguise such as Acosta Carlez, Didalco Bolívar and, more recently, Maracay mayor Humberto Prieto.

**People involved in corruption revealed during trial.** Carlos Kauffman, one of the people involved in Antonini's renowned *maletingate*, and currently on trial in the city of Miami, listed one by one the names of officials involved in the corruption network. Among them is the National Guard, the local governments of Cojedes and Vargas, the Ministry of Finance, of Education, and Fogade. He also disclosed the details of the illegal financial engineering through which he and his partner Franklin Durán became millionaires in Venezuela, and the banks they used. The apparatus was all based on bribes and commissions.

**Purchase of Russian tanks confirmed.** General Jesús González, head of the Strategic Operational Command of the FAN, confirmed that the Venezuelan government purchased one lot of Russian armored tanks, which will be used to guarantee security and defense of the country. Gonzalez failed to mention, however, the number of tanks or the amount of the purchase.

**Astronomical salaries.** A study conducted by Un Nuevo Tiempo's Anti-Corruption Unit reflects that salaries of high government officials are extremely high, and range between VEF30,000 and VEF60,000 a month, depending on the position. The current minimum wage is VEF799 a month.

## USA Crisis Tips

**IDB informed that Lat-Am is better prepared for crisis.** The President of the Inter-American Development Bank, Luis Alberto Moreno, informed that Latin America is currently better prepared to face the crisis than in previous years, and does not have the so-called toxic assets, as the US or Europe. He also said that the region has significantly increased its international reserves, giving stability to their economies.

**MERCOSUR in face of crisis.** The ministers of Labor of the Mercosur member countries acknowledged that the international financial crisis can affect regional growth, and proposed coordinated actions to face threats, such as unemployment. In a statement issued by the group, they urged coordinated actions to preserve economic expansion and jobs in each country of the bloc composed of Argentina, Brazil, Paraguay and Uruguay, plus Venezuela, which is in process of adherence.

**The crisis is still news.** In spite of the brief upturn in stock markets, shares dropped again closing the second week of October, due to concerns over banks being bailed out too late to avoid sluggishness of the economy.

**ING, first Dutch bank affected by crisis.** The Dutch banking group ING will be the first financial institution to use resources made available by the government of The Netherlands to face the crisis. These resources total EUR20 billion, EUR10 billion of which will be allocated to bail ING out.

**China starts to show sluggishness.** During Q3 2008, the GDP of the main driver of the world economy showed a 9.0-percent growth, the lowest rate in five years. The

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sluggishness of this economy would have tremendous repercussions on the world economy, through a lower demand of goods, affecting primarily the commodity market. The Chinese government announced a series of measures aimed at guaranteeing a sustained growth over the next months, which include the reduction of taxes and increase of public spending.

**Summit to assess crisis.** The representatives of the main world economies will conduct a series of meetings to review the progress in dealing with the current crisis and to reach agreements on the principles for a reform, necessary to avoid aftershocks and guarantee global prosperity in the future.

**US start to tap TARP resources.** The United States are to invest US\$250 billion in the purchase of preferred stocks in different banks. In this operation, the State will devise the compensation scheme.

**Bernanke suggests tax support plan.** The chairman of the Fed pointed out that it would be appropriate for the Congress to start considering the application of a tax incentive because "*the economy will be weak for several quarters and with a high risk of recession.*" Bernanke said, however, the economic outlook is still too uncertain to determine the size and composition of such a plan, but it must definitely include measures to broaden access to credit and to create new sources of employment.

**Greater guarantees.** Similarly, the US government announced that banks' new uninsured debt will be guaranteed, and that the guarantee of banks' liabilities will be expanded through the Federal Deposit and Insurance Corporation, so as to include uninsured deposits.

**New measures.** Governments around the world continue to implement different bailout measures:

Country	Recent Measures
<b>The Netherlands</b>	Injection of EUR10 billion to ING financial group.
<b>France</b>	EUR320 billion in credit guarantees EUR40 billion in capital to inject to banks Extension of guarantee to deposits up to EUR70,000
<b>England</b>	Injection of up to GBP50 billion to the banking system State guarantee for new debts
<b>Germany</b>	EUR400 billion in guarantees to bank debts EUR70 billion in new capital for banks Availability of EUR10 billion to compensate possible losses caused by uncollectible credits.
<b>Italy</b>	New debt issues will be guaranteed by the State Capital will be injected to any financial institution that requires it.
<b>Spain</b>	A fund with EUR30 billion (extendable to EUR50 billion) was created purchase bank assets. The State will guarantee al new bank debts, initially for EUR100 billion
<b>Switzerland</b>	Capital injection of CHF6,000 (Swiss francs) to banks Expansion of guarantee on deposits up to CHF30,000.

**15 million people could fall below poverty line.** A report by the Economic Commission for Latin America and the Caribbean (ECLAC) states that, between 2002 and 2007, poverty in Latin America decreased from 44% to 35%. However, if the governments of the region do not implement plans aimed at favoring the most vulnerable sectors, this trend could revert considering the new world economic situation. According to ECLAC, around 15 million people could fall below the poverty line.

## Other Tips

**Unequal growth increases in large economies.** According to a report by the Organization for Economic Cooperation and Development, income inequalities worsened in the past 20 years in most developed countries, which results in increase of poverty of the current generation of children. Since 2000, the difference between rich and poor has increased significantly in Canada, Germany, Norway, the United States, Italy and Finland, but has receded in Mexico, Greece, Australia and the United Kingdom. In countries with large salary differences, the risk of poverty is greater and social mobility is weaker, informed the Paris-based organization.

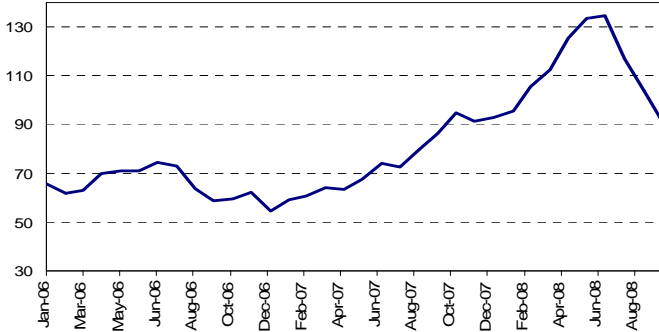
**NGO urges activation of Democratic Charter.** For the second time, the NGO Human Rights Foundation demanded the Organization of American States (OAS) to activate the Inter-American Democratic Charter in Venezuela, Bolivia and Ecuador, because these countries violate human rights constantly. Human Rights Foundation argues that the Venezuelan Supreme Court has been an accomplice to these violations, after having approved the president's "scandalous" decisions, such as the closing of RCTV and the 26 decree-laws.

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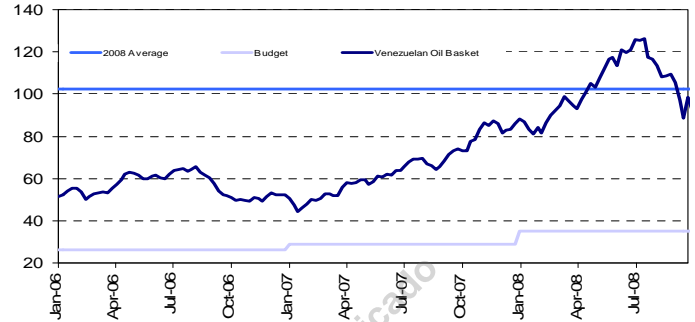
# Weekly Report

## ECONOMIC OVERVIEW

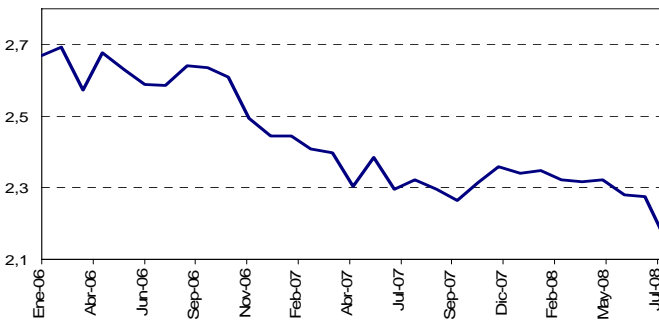
**Oil Prices (WTI US\$/pb)**



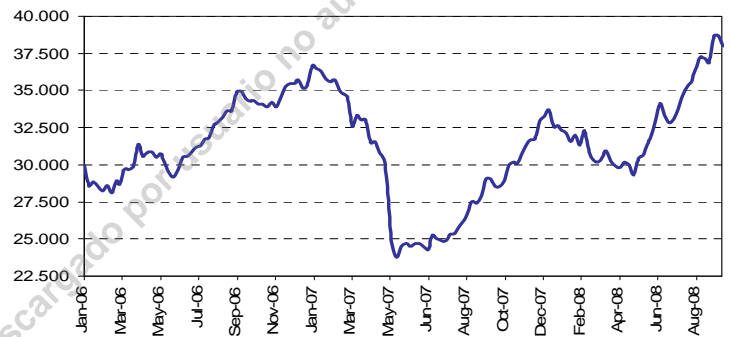
**Oil Price (Venezuelan Basket US\$/pb)**



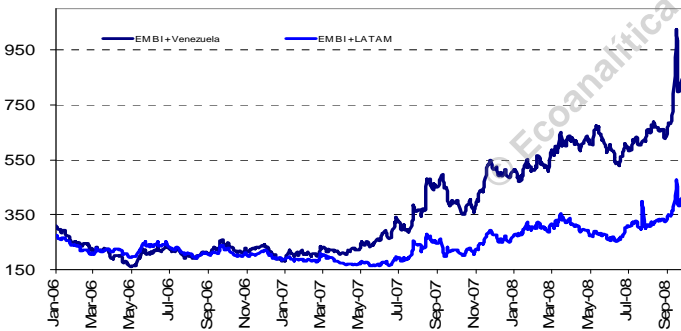
**Oil Production MMBD**



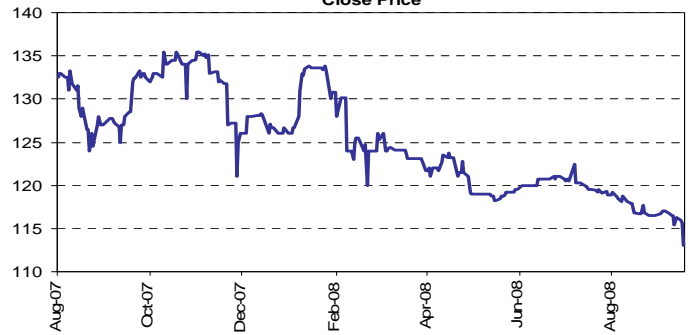
**Fx Reserves - BCV (US\$ Million)**



**EMBI +**



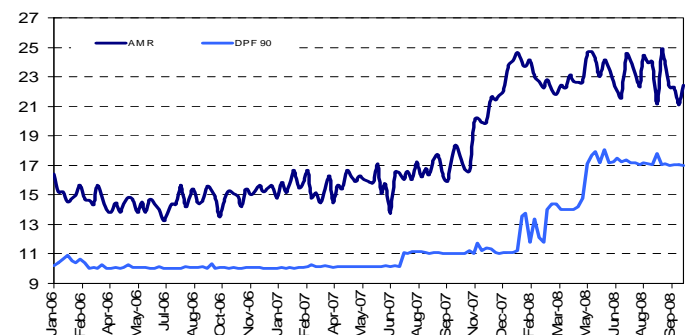
**Venezuelan Global 18 Close Price**



**Venezuelan Global 27 Close Price**



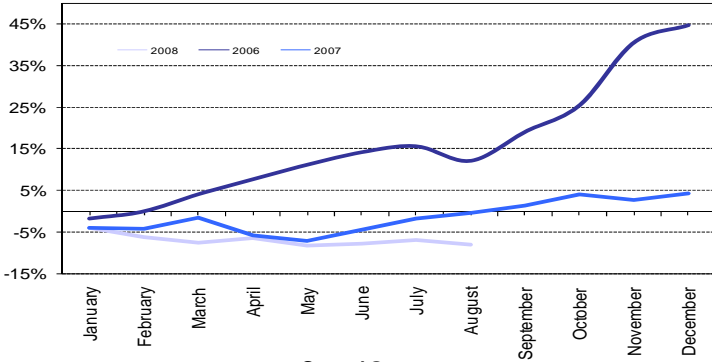
**Interest Rate (Six Principal Banks)**



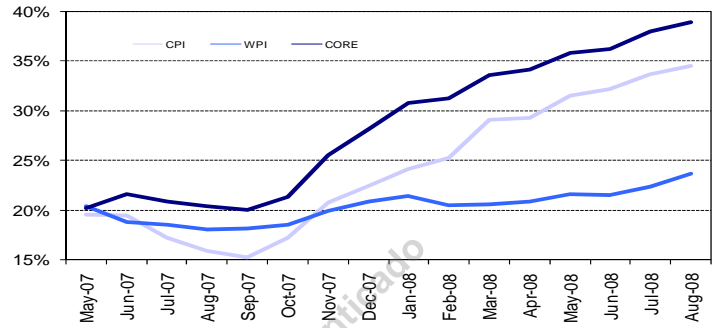
# Weekly Report

## ECONOMIC OVERVIEW

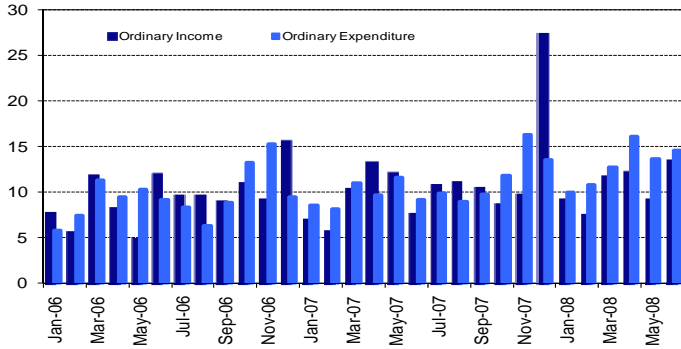
**Real Expansion (M2)**



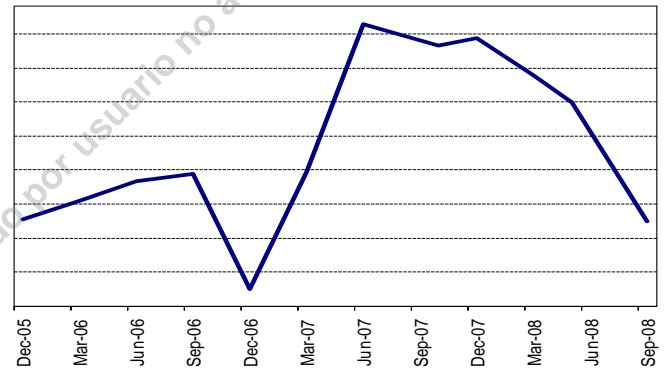
**Inflation (Last 12 Months)**



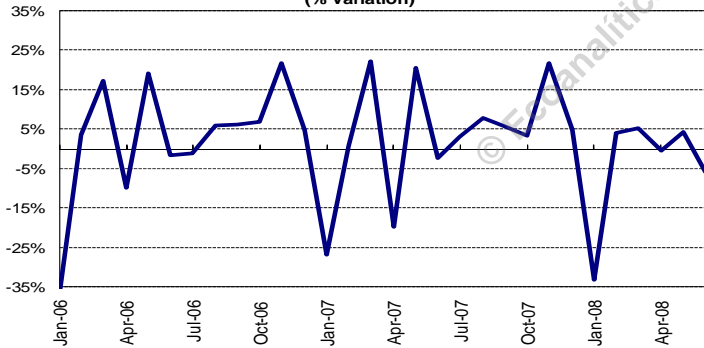
**Central Government (VEB Billion)**



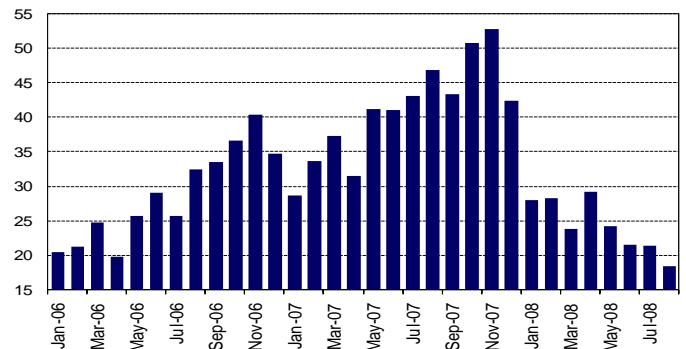
**Resources of the State (US \$ MM)**



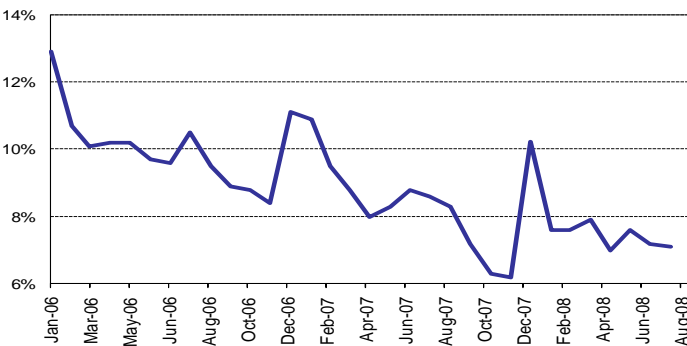
**Volume of Sales (% Variation)**



**Sale of Vehicles (Thousands of Sold Units)**



**Rate of unemployment (% Variation)**



**Disbursement (US\$ Million)**

