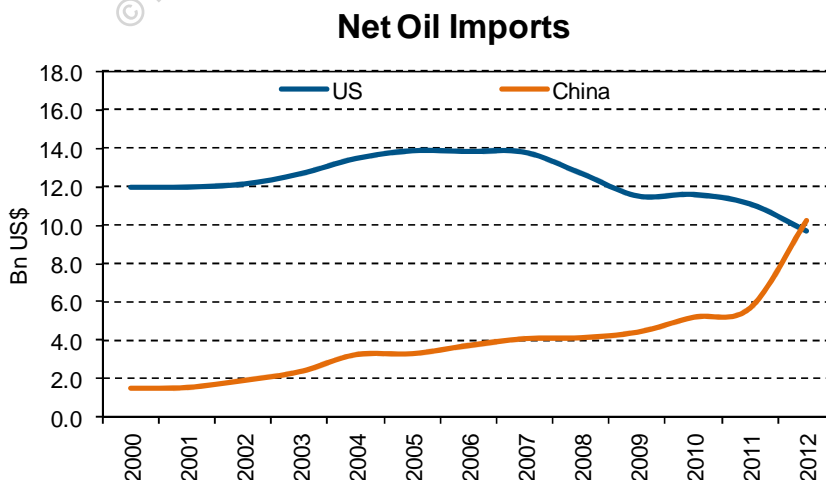


China and the world energy market

A complex interaction between supply and demand is a feature of the world oil market. That is why it is necessary to study the structure of these two forces in order to understand how it behaves. On the one hand, we have supply, which is determined basically by production in the Organization of Petroleum Exporters Countries (OPEC) and non-OPEC production; and on the other, we have demand, which is tied mainly to the growth of world product, in particular the growth of gross domestic product (GDP) of the countries ranked as the world's main oil consumers.

It is common knowledge that, in recent years, there has been a shift in the configuration of the main actors that drive the consumption and production of oil in the world. With the advent of nonconventional hydrocarbons, the United States (US) has acquired considerable weight in global supply, ceding its place as the main importer of oil to China. So, today, the Asian giant is the main determining factor in the global demand for oil.



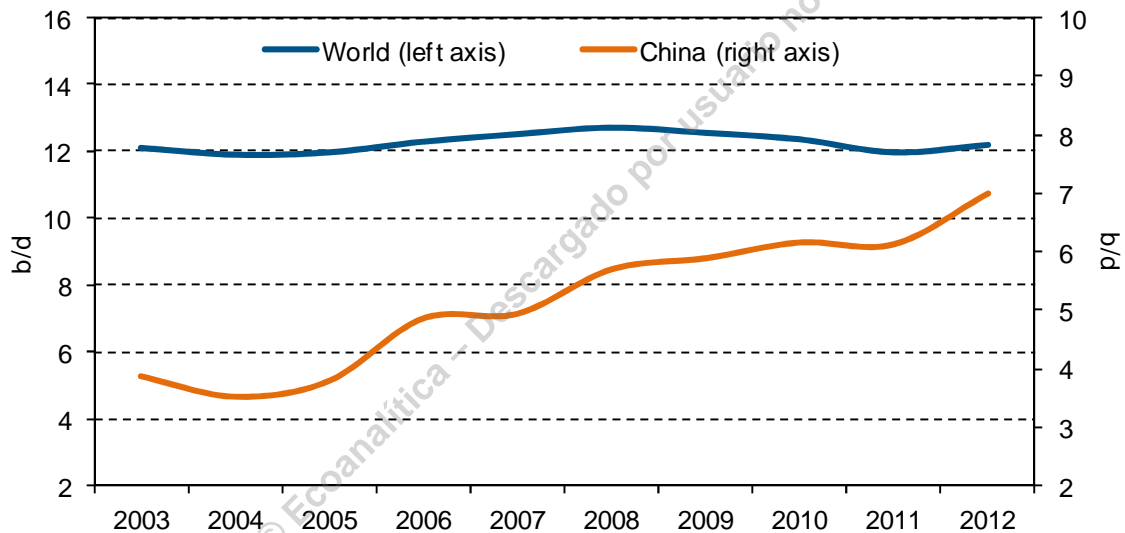
Sources: EIA and Ecoanalítica

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China center stage

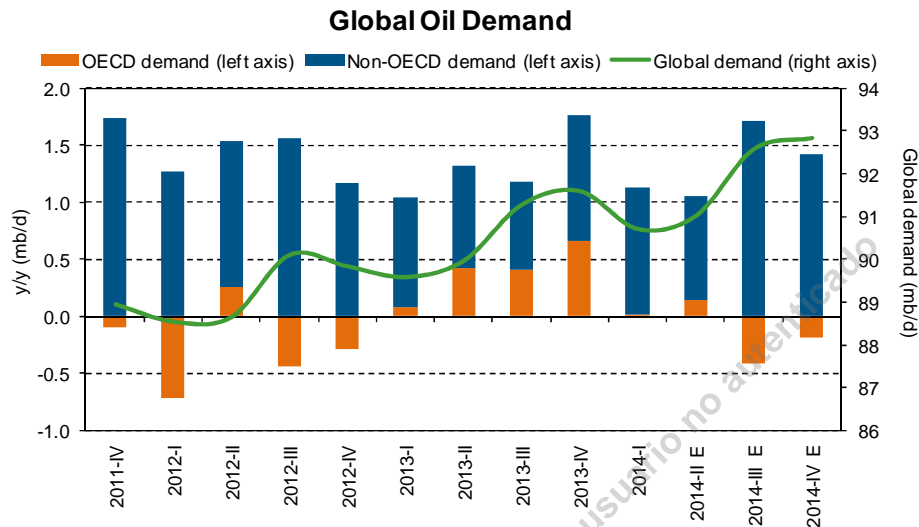
China has expanded its demand for energy three fold since 1990 and has one of the fastest rates of growth in the world. As though that were not enough, its economic and demographic trends point to greater growth, pushing up the country's per capita energy consumption above the world average. That is why evaluating the performance of the Chinese economy is pertinent in view of the impact it has on the evolution of the world oil trade.

Oil consumption per capita



Sources: EIA and Ecoanalítica

Even though the 2008 world crisis is now over, the United States and European governments are still struggling to boost growth in their economies, whereas China has maintained sturdy growth over time with the result that it has had a fundamental role to play in the recovery of the oil market. Since then the growth in oil demand has continued to be driven by demand from the emerging countries. In view of this, as far as the oil market is concerned, the main cause of concern, even greater than Europe, is the slowing down of growth in China.



Stepping on the brakes

Last year, the Chinese authorities decided to slow down the economy's rate of growth. Even so, in 2013, China posted the biggest growth in oil consumption worldwide once again reaching 425 thousands of barrels a day (kb/d), although it was lower than the average rate of growth for the previous ten years. In the first quarter of the year (1Q2014), China's economy performed below market expectations, with growth year-on-year of 7.4%, the lowest since 4Q2008. That is why the authorities decided to backpedal on their restrictive policy and lower interest rates.



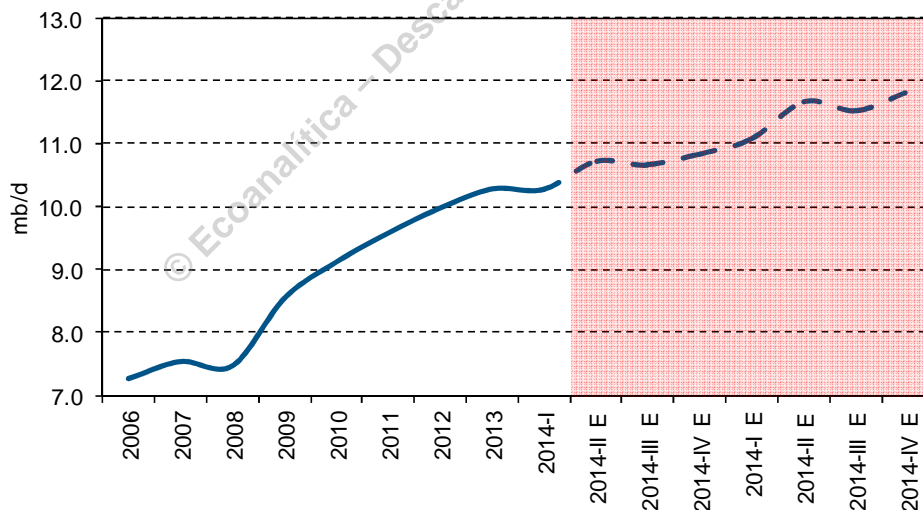
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Despite the slowing down of the economy, oil imports remained stable in 1Q2014 at around 6.1 millions of barrels daily (mb/d) compared to the average for 2013, which was 5.7 mb/d.

In April, things seemed to be looking up given that exports rose by 0.9% compared to April 2013, after dropping by 6.6% in March and by 1.6% between January and February. Moreover, industrial activity has started a moderate recovery, which suggests that the measures the government announced in mid-March to boost investment and construction activity have started to have an effect.

In line with the foregoing, oil imports rose to a new high of 6.8 mb/d in April, up 23.0% from the minimum posted in March and 21.0% more than in the same period last year, a situation that was influenced by the fact that a large number of refineries had maintenance scheduled for April and May, revealing an effort to maintain inventories high.

Chinese Oil Demand



Sources: EIA and Ecoanalítica

What will happen in 2014?

At **Ecoanalítica** we estimate that China's economic growth will remain at around 7.5% in 2014, which means that the increase in oil demand will be fairly similar to 2013, at around 0.36 mb/d. This implies a considerable slowing down compared to the rates of economic growth and oil consumption prior to 2012, when annual GDP growth was

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more than 9.0% and oil consumption posted average annual growth of nearly 0.79 mb/d between 2009 and 2011.

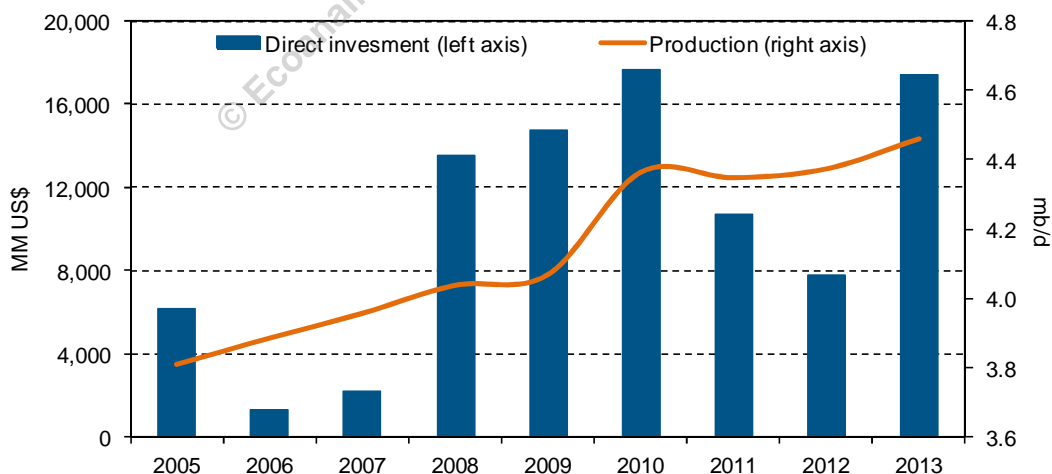
The more moderate growth of the Chinese economy and of the emerging markets in general in 2014 does not mean that they are going to lose preponderance in the growth of world oil demand. The boom in domestic demand, accelerated urban development, the increase in exports, and the increase in automobile sales are factors that continue to determine China's demand for oil and gas.

In view of this, global oil demand is expected to increase by 1.18 mb/d in 2014 to 91.77 mb/d, with nearly half this annual growth coming from China and the Middle East.

Going shopping around the world

Although the Chinese Government has a supply security agenda, the difficulties in raising local production have led Chinese companies to invest more than US\$68.32 billion in oil and gas assets since 2009 in order to raise imports. We do not expect this trend to peter out; on the contrary, it is to be expected that China will redouble its acquisition of oil and gas companies abroad to feed the growing expansion of its energy demand.

Chinese oil direct investment vs. Production



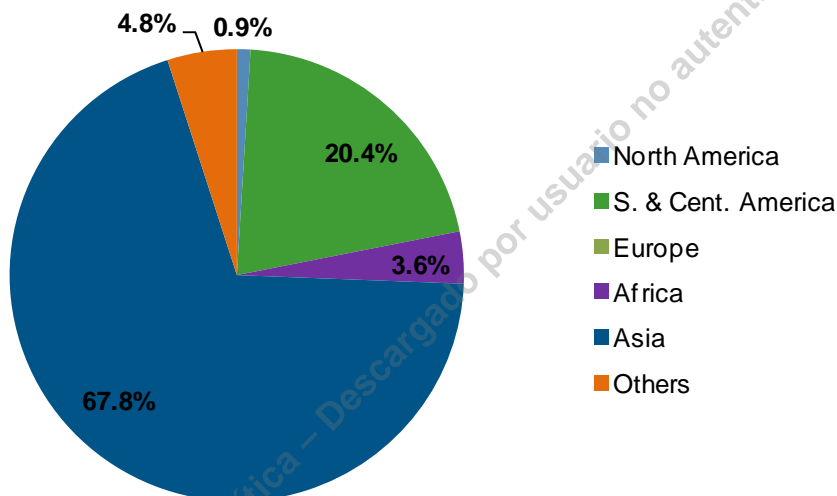
Sources: The China Global Investment Tracker and Ecoanalítica

The private oil companies are not the only ones that have opted for expansion; Peking has also invested millions of dollars via subsidized loans and government aid to ensure oil and gas supplies in Africa and South America. In Venezuela, we are familiar with

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these agreements, which have resulted, today, in China occupying the first place in the destinations of our oil exports, ahead of the US, accounting for 10.0% of our total exports. Another case worthy of note that illustrates China's voracity is Ecuador. This small Andean country is so reliant on Chinese funding that, in 2013, it covered 60% of Ecuador's urgent financing needs and, in exchange, China can claim 90% of Ecuador's oil shipments for the next 20 years.

Chinese Imports by Country of Origin



Sources: EIA and Ecoanalítica

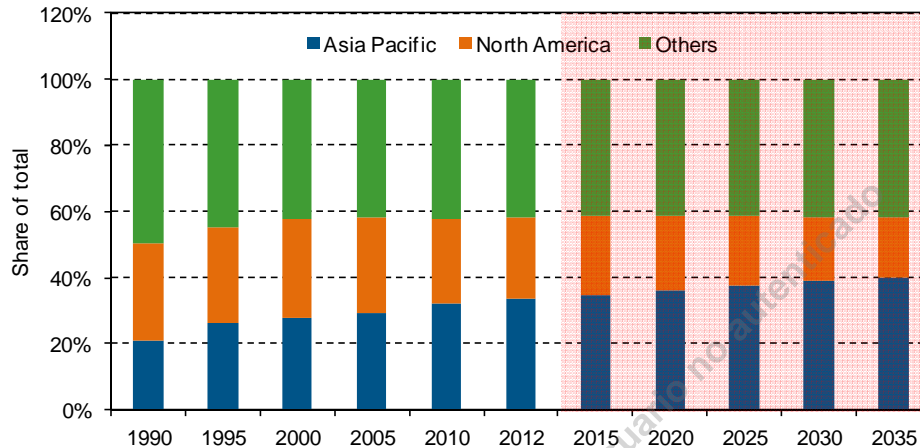
What the future looks like

Different international energy agencies have indicated that world energy demand will continue to grow in the long term, but at a slower rate and driven mainly by the emerging economies.

BP Energy Outlook 2035 estimates that world energy consumption will grow by 41.0% between 2012 and 2035, which is below the growth of 52.0% posted in the past two decades. Even so, Chinese demand will continue to have a preponderant weight in the increase in world demand, an increase that is estimated will go up from 22.0% in 2012 to 27.0% in 2035, and that Chinese demand will account for 38.0% of world demand by 2035. It is also expected that Chinese supply will expand by around 61.0%, whereas the increase in consumption will be in the region of 71.0%, so putting China ahead of the US as the world's main consumer of energy by 2027.

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Global consumption of liquid fuels



Sources: BP and Ecoanalítica

As for what will happen specifically in the case of oil, it is expected that the long-term growth in the demand for oil will be slower than for other fuels. Even so, the demand for crude in 2035 will be 19 mb/d higher, on average, than in 2012. As for the net growth in demand, this will be driven by the growth in consumption in China, India, and the East.

Oil for a while

As we mentioned at the start, we are going through a reconfiguration of the world energy market. This is due not only to shifts in demand towards the emerging economies, but also to the fact that new possibilities have opened up in the supply of energy sources, including nonconventional sources. Changing the world energy matrix is a slow process, however.

What does seem to be happening more quickly is the process of moving the neuralgic center of consumption to Asia, with China at the head, whereas the center of world oil supply seems to be shifting from the Middle East to the American Continent.

The fact that a high demand for oil from China is forecast is a sign that the price of crude will remain stable despite a reduction in world consumption due to the weakness of the Western economies and the growing production of shale oil in the US.

Asdrúbal Oliveros
Pilar Navarro

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ECONOMIC TIPS

Sicad II could be better. President Nicolas Maduro said the Alternative Currencies Exchange System (Sicad) II has not worked as well as expected, and explained that it was necessary that the private investors participate more in this system for improvement. *"I thought it necessary to create the Sicad II also open the possibility that the private sector could offer their dollars (...). The Sicad II has been working quite well. Not as well as necessary, or at least how I aspire. I aspire to that private sectors put their dollars to play in the economy,"* Maduro said.

The effects of SICAD II are starting to kick in. The allocation of foreign currency via SICAD II at an exchange rate of nearly VEB 50.0/US\$ has meant that private individuals and companies have had to withdraw bolivars from their accounts, thus reducing liquidity in part of the domestic banking system. This lower level of liquidity has resulted in an increase in the amount involved in interbank operations, which went from an average of VEB 138 million a day in March to VEB 1.79 billion a day in May.

There's no stopping the spending... According to data from the Ministry of Finance, Central Government spending came to VEB 351.77 billion between January and May, an increase of 76.4% compared to the same period in 2013 (12.3% in real terms). One of the items that have contributed to the growth in spending is remunerations, which increased by 80.4% (14.9% in real terms) and amounted to VEB 79.41 billion at the close of May.

...or the borrowing either. The increase in spending has meant that ordinary revenues have fallen short yet again and that the difference has had to be covered by borrowing. According to figures from the Ministry of Finance, in the 1Q2014, Central Government debt posted growth of 6.1% compared to the same period last year as a result of a 60.1% increase in domestic debt (which came to US\$ US\$70.9 billion) and a 2.5% increase in foreign debt (US\$ US\$44.5 billion).

Poverty zero... by 2018: President Nicolás Maduro admitted that there was extreme poverty in Venezuela and promised that he will have the "joy" of saying that Venezuela has achieved the target of zero extreme poverty. *"We have detected extreme poverty still in places where there are cardboard shanties; we've detected needs of all kinds. That's where we've got to focus,"*

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said Maduro, who proposed launching a Special Missions Plan that would consist of setting up 1,459 coordination nuclei in 225 of the parishes most affected by extreme poverty.

Young people without a job: According to data from the National Statistics Institute (INE), unemployment among young people came to 16.2% in April, way above the national average (7.1%) and up 0.2 of a percentage point from April 2013. The INE's figures reveal that around 346,369 young people between 15 and 24 years of age were unemployed in April 2014, 6,509 more than 12 months ago.

When banknotes are worth nothing: In the first four months of the year, the Central Bank of Venezuela put 65.1 million new one hundred bolivar (VEB 100) banknotes into circulation, 100.0% more than during the same period in 2013 and 452.0% more than between January and April 2012. Persistently high inflation has not only forced the Central Bank to print more high-denomination banknotes (given that they can buy increasingly less), but it has made it consider the possibility of minting two hundred, five hundred and one thousand bolivar coins.

A figure shortage: A group of 33 professionals in the field of economic sciences, among them Héctor Malavé Mata, Héctor Silva Michelena, and Luis Zambrano Sequín, issued a document in which they demanded that the Central Bank, the Ministry of Finance, and the INE publish figures that, inexplicably, are no longer being published. The Central Bank's board of directors has been delaying publishing the inflation and shortages figures, which are basic indicators for analyzing and monitoring the economy.

Something has to be done. Our director, Dr. Pedro Palma, suggested implementing an adjustment plant that would correct the imbalances and macroeconomic distortions that have been building up in the economy in recent years. In Dr. Palma's opinion, the measures should include creating the conditions for rationality in public spending, adjusting the price of gasoline, the autonomy of the Central Bank, putting interest rates at real levels, and gradually lifting exchange controls. *"If nothing is done; if this process of imbalance between supply and demand continues, three-digit inflation is foreseeable,"* he added

Interest rates. The lending rate for the fifth week of May was at 1.2%, down by 1.0 percentage points (pp) compared to the previous week. The time

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deposit rate was at 14.7%, up by 0.2 pp compared to previous week, while the passive rate has not experienced any significant variation, placing well at 14.1%.

International reserves. International reserves increased by 0.8%, going from US\$22.5 billion during the fifth week of May to US\$22.7 billion during the fifth week of May. Compared to the same period last year, international reserves have decreased by 15.1%.

Central government expenditure. On May 30th according to figures from the NTO primary spending was VEB 13.8 billion, which means an increase of 139.4%; when it is compared to the same period last year. So far this year, the primary expenditure accumulates VEB 315.4 billion 83.4% more than the same period last year.

Monetary liquidity. Money liquidity (M2) increased 1.5% in the fifth week of May from the week prior, to settle at VEB 1.4 trillion. The M2 has increased 68.0% in relation with the same period last year.

Supply through SICAD II (US\$ MM)					
Day	Total daily	Public Sector	(%)	Private Sector	(%)
6/3/2014	44.9	36.9	82.2	8.0	17.8
6/4/2014	31.8	29.8	93.7	2.0	6.3
6/5/2014	47.5	41.0	86.3	6.5	13.7
6/6/2014	32.3	31.3	96.9	1.0	3.1

Sources: Ecoanalítica

OIL TIPS

Just a small loan to tide me over. PDVSA has obtained US\$1.0 billion in fresh financing from the oil companies ENI and Repsol for developing gas projects. Besides that loan, the president of PDVSA, Rafael Ramírez, signed two more agreements with international companies, one for exploiting gas fields and the other for setting up a joint venture for producing gas condensates. These new loans bring the amount the oil industry has to repay to approximately US\$12.0 billion.

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A subsidy that weighs more daily. The president of PDVSA and Minister for Oil and Mining, Rafael Ramírez, ratified that the debate on the price of gasoline has not been deferred and that, therefore, discussions regarding what the price of gasoline should continue, particularly when, according to in-house calculations, the weight of the gasoline subsidy increased by 2.0% in the 1Q2014 compared to the same period last year; in other words, US\$6.97 billion.

A halt in the decline. According to figures published by the US Department of Energy, Venezuela exported an average of 755 kb/d in the first quarter of 2014. This volume of exports is nearly the same as for the same period in 2013, when they averaged 754 kb/d. Sales of crude closed at 714 kb/d at the end of March 2014, which gives an average reduction of 16 kb/d compared to March 2013. These figures show, once again, that China and India have replaced the United States as Venezuela's first oil customer.

Keeping his fingers crossed. The Minister for Oil and Mining and President of PDVSA, Rafael Ramírez, said that he expected the OPEC to maintain current production quotas. These quotas (which have not been changed since 2011) set production at 30 mb/d. As for Iraq's Oil Minister, Abdul Kareem al-Luaibi, he expected OPEC to leave the production ceiling unchanged. "*There are signs that the production ceiling will be maintained,*" he said.

Asking for a raise. Workers at the state-owned petrochemical company, Pequiven, are asking for a 90.0% raise in the draft collective employment contract that is to govern worker-employer relations for the period 2014-2016, according to information provided by the secretary general of the National Union of Petrochemicals, Oil and Affiliates Workers of Venezuela (Sintrapepf), José Guerrero. He also said that the negotiating groups were set up on June 11, giving the green light to dialog, and that they expected they would be able to sign the worker-employer agreement in six to eight weeks' time. He explained that the purpose of the new contract was to minimize labor inequalities among the company's different workers.

Diesel in the crosshairs. PDVSA delivered two shipments of low-sulfur diesel to the British oil company BP and the operator Gunvor, according to an internal PDVSA document to which Reuters had access this week. The deliveries were made after PDVSA accepted bids on two public offers. It is worth noting that Venezuela resumed diesel exports in January after two

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years of having sent its entire diesel production to the domestic market, given a growing demand by thermoelectric power stations that restricted sales and forced PDVSA to increase imports.

If the market grows, futures will grow as well. Oil futures traded at their highest price since June 4 on the New York Mercantile Exchange, reaching US\$103.2 per barrel. This increase in price is due basically to the recovery of the US labor market and to an increase in China's exports due to growth in world demand.

Energy reforms in Mexico. The first report on the energy reform was released this week and among the novelties it puts forward that were not in the original proposal is the creation of an oil industry investment fund that would allow people to invest directly, with a minimum investment of US\$1,500. It also proposes a law for protecting the owners of land where oil activities are to be carried out as well as ensuring energy security for the country and making Mexico one of the world's main generators of energy.

International oil baskets. At closing time on June 6th in the New York Stock Exchange, the price of the WTI was US\$102.6/bl, falling by 1.2% when compared to the reported the previous week. The Brent decreased by 1.2% when compared to the previous week, to reach US\$108.9/bl.

Local oil basket price. The Venezuelan oil basket price closed at US\$97.4/bl on Friday June 6th, decreasing by 0.9% when compared to the reported the previous week. The annual average price of the Venezuelan oil basket is US\$96.6/bl.

BUSINESS SECTOR TIPS

The new prices are here. The president of the Airlines Association of Venezuela (ALAV), Humberto Figuera, announced that, following a meeting between the airlines and the Venezuelan Government, an agreement had been reached on the new airfares structure, which will go into effect on July 1. This new price structure establishes that air tickets will start to be set based on the SICAD II rate. Figuera also said that the shortage of air tickets will continue until the situation in the sector gets back to normal. *"It's illogical."*

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They can't sell something at 10 bolivars that's going to cost 50 bolivars in 15 days' time," he said.

Nearly half. The president of ALAV, Humberto Figuera, said that the situation of the domestic airlines is just as or more critical than that of the international airlines. He explained that 45.0% of the domestic airlines' fleets are grounded owing to the lack of foreign currency, which is preventing them from paying for maintenance and from buying spare parts. He also called on the National Foreign Trade Center (Cencorex) to include the Venezuelan airlines in the foreign currency auctions.

It will now cost more to build. The Minister for Housing and Habitat, Ricardo Molina, announced the creation of a new product catalog and price list that is to apply to the costs of construction inputs from now on. This new "guide" replaces the one established by the *Colegio de Ingenieros de Venezuela* (Venezuelan Engineers Society) and its main purpose, according to the minister, is to achieve fair prices so that construction materials are available at affordable prices. *"No more reference to the Colegio de Ingenieros de Venezuela's prices, which constantly fuel inflation."*

Not even at 50% of capacity! The president of the Association of Graphic Arts Industries (AIAG), Edgar Fiol, said that the graphic arts sector is only using 40.0% of its installed capacity because delays in allocating foreign currency have made it difficult to purchase inputs and import machinery. Fiol explained the repercussions these delays would have on the production of school textbooks as, according to him, they only have 30.0% of the bond paper they need to print them in stock.

We promise; this strike is for real. Siderúrgica del Orinoco (SIDOR) has been shut down for 29 days since the end of April. The reason for this strike, according to the Single Steel and Associated Industries Workers Union (SUTISS) is the failure to honor payroll liabilities. Several members of the state-owned company's management have met to try to solve the problem of the strikes, but have not come up with a solution so far. While this is not the longest strike the company has experienced -last year SIDOR's workers went on strike for 52 days-, unless they manage to solve the problems within the company, it is possible that this year the company will break its 2013 record.

And another sector faces problems. The National Cattlemen's Federation of Venezuela (FEDENAGA) has warned that the situation in the sector is

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desperate. Low production, shortages of raw materials and inputs, high costs, drought, and smuggling are factors that are depleting the cattle industry daily. The Federation's president, Rubén Barboza, called on the government to have the political will to come up with more practical solutions for dealing with the beef and milk shortages the country is experiencing.

If you're going to put up charges, do it right. Analysts belonging to the Ricardo Zuloaga Group urge the government to do a thorough revision of the electricity sector before increasing electricity charges. One of the revisions they recommend is a "rendering of accounts" by the government, particularly with regard to the use to which funds have been put, and to the operational, administrative, and financial performance of the sector. The analysts warn that, while increases in the charges are necessary, they must be implemented transparently and efficiently.

A conditioned relaxation of price controls. Last Friday, the National Superintendency for the Defense of Socioeconomic Rights (Sundde) made the price increase for toilet paper official. The increase is between 30.0% and 237.0%, depending on quality and presentation. However, Sundde made this price increase conditional on an adjustment in production quotas, establishing that 50.0% of production must be given over to the most economic toilet paper and the remainder split between the standard and premium presentations.

Either you solve my problem or that's it. The president of the Venezuelan Pasta Industry Association (Avepastas), Simón Nobile, said that the pasta manufacturing companies are operating by solving problems as they go and that they have only one month's stock of raw material left. Avepasta has also requested that the regulated price for pasta be revised, as it has been at VEB 5.4 a kilo since 2013 and, according to industry calculations, it should be VEB 11.

WORLD ECONOMY TIPS

US employment figures show steady growth. According to the US Bureau of Labor Statistics, the total number of employees in the world's biggest economy is now higher than before the 2008 crisis. The growth in the number of employees averaged 234,000 a month in the past three months compared

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to 150,000 in the previous quarter. However, this has not had a significant impact on unemployment owing to the growth of the US population.

Nearly zero. The European Central Bank (ECB) decided to cut its benchmark interest rate to 0.15%, the lowest in its history. With this measure, it hopes to encourage the flow of money into the economy and boost business, thereby avoiding deflation in the Eurozone. Moreover, with this measure, it is penalizing banks that want to grant loans instead of investing in the economy as, from now on, commercial banks will have to pay to deposit money with the central bank instead of earning interest.

World Bank warns China. World Bank (WB) publications state that it is highly likely that China will meet its economic growth target of 7.5%, but point out that it must persevere with its fiscal and financial reforms in order to deal with its debt problems. *“The prospect of growth falling below the official target will likely be met with accommodative fiscal and monetary policies,”* said the WB in one of its most recent reports.

Risky mortgages. The International Monetary Fund (IMF) has said that the United Kingdom needs to control the higher risk mortgages in order to cool down the housing market. This is the strongest warning issued to the UK by the IMF so far on the high risk of a housing bubble. An IMF report states that, so far, there are some slight signs of a credit-led bubble in housing prices in the United Kingdom, but that this situation could rapidly change, which makes taking preventive measures necessary.

He who laughs last, laughs longest. The governor of the Bank of Japan, Haruhiko Kuroda, claimed that the large-scale stimulus policy implemented a year ago has achieved its objective of boosting the real economy by increasing growth and halting deflation, although he stressed that the 2.0% inflation he promised could take longer to achieve. *“A year has gone by (...), the (monetary) policy has been having the desired effects, leading to an improvement in the financial markets, the real economy, prices,”* said Kuroda.

Unexpected growth. The Japanese economy posted growth of 6.7% in 1Q2014, exceeding initial estimates by a comfortable margin due to an unexpected increase in capital spending, which is a positive sign that the world's third largest economy is in good form for riding out the drop in consumption due to the increase in income tax. All this success was in line

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with statements by the Central Bank of Japan, which indicated the arrival of economic growth for this quarter driven by domestic demand.

Mexico takes a surprise measure. The Bank of Mexico (Banxico) took the surprise measure of cutting its benchmark interest rate to a historically low 3.0% in view of the fact that the weakening of the economy has been greater than forecast, which has reduced both expectations of growth and pressures on inflation. The bank argued that risks to the local economy are still low and highlighted that the weak performance by domestic spending, reflected in consumption and private investment, has not been offset by the improvement in exports that started to be felt at the end of the first quarter and the beginning of the second.

Lithuania is to adopt the euro in January. Lithuania will be the 19th country to join the Eurozone after the European Commission and the ECB gave assurances that Lithuania has met all the criteria for becoming part of the Eurozone. Among the countries that do not use the euro but hope to do so at some point in time, Lithuania is the only one that has met the requirements. This Central European country is expected to adopt the community currency in January 2015.

POLITICAL TIPS

The trial of the century. After a marathon hearing that lasted nearly three days, Judge 16 of the Caracas Distribution Court, Adriana López, ordered that the political leader Leopoldo López be tried for the crimes of causing damage and fire and conspiracy to commit crimes and instigating others to commit crimes, for which he could spend more than ten years in prison if found guilty. López has spent three months in Ramo Verde military prison after being accused by the government of planning the incidents that occurred on February 12 to overthrow President Nicolás Maduro.

A decision that complicates everything. In the opinion of U.S. Department of State Deputy spokesperson Marie Harf, the decision by a Caracas court to send political leader Leopoldo López to trial is “prejudicial” to the dialog between the opposition and the Venezuelan Government. In the view of the US, dialog is the path to follow in Venezuela, not political arrest, not attempts

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to criminalize dissent, explained Harf, who called on both parties to find a way to make progress in the talks.

It is necessary to support the dialog from outside. The secretary general of the Organization of American States (OAS), José Miguel Insulza, called on the international community to support the dialog between the opposition and the Venezuelan Government “*without pressures or sanctions*” and expressed his concern over the fact that this process has stalled. “*I maintained from the start that holding a dialog between the parties was indispensable and that the OAS could contribute to this. However, we are sad to see that the dialog is not making progress,*” added Insulza.

Who wants to select a Supreme Tribunal Judge? The chairman of the preliminary commission of the Judicial Postulations Committee (the entity in charge of the new Supreme Tribunal of Justice judges), Elvis Amoroso, announced that 48 people had come forward to be considered for six out of the eleven seats available on the Judicial Postulations Committee (the remaining five are to be filled by deputies who have already been selected). It is estimated that it will take two weeks for the postulates to go through the screening process by the institutions and civil society before being interviewed by the preliminary commission, which will come up with a shortlist that will be submitted to the National Assembly (NA) in plenary session.

“Administrative continuity”. The Constitutional Chamber of the Supreme Tribunal of Justice (TSJ) ruled that the directors of the National Electoral Council (CNE) whose term of office has expired will continue to perform their functions legitimately until the NA appoints new directors. According to the Constitutional Chamber, stopping the performance of a public function that is indispensable for exercising democracy cannot be allowed and, therefore, based on the principle of “administrative continuity,” “*the directors of the ultimate Electoral Body shall perform their functions legitimately until the NA appoints the new authorities of the Electoral Branch.*”

We’re doing well, in spite of “sabotage.” After presenting the achievements of the Venezuelan Government, first under Hugo Chávez and latterly under Nicolás Maduro, to the general assembly of the OAS, Venezuela’s foreign minister, Elías Jaua, claimed that the progress made in the struggle against social inequality and the long periods of growth “*have only been upset by the attempts at destabilization and political violence and*

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economic sabotage undertaken by the Venezuelan opposition with encouragement from factors inside the United States of America.”

Constituent Assembly versus Recall Referendum. The vice president of the United Socialist Party of Venezuelan (PSUV) and president of the National Assembly, Diosdado Cabello, said that the party’s militancy are prepared to go “all out” against any initiative by the opposition to remove Nicolás Maduro from the presidency, including opting for calling a Constituent Assembly. *“Now they’re talking about a Constituent (Assembly). We respect this Constitution, we defend it; we love it. It was made by the people, and that’s where we come from. They’ve never respected it. Let them collect signatures; we’ll go all out!”* maintained Cabello.

Delusions of grandeur. In her memoirs, former Secretary of State and former First Lady of the United States Hillary Clinton described the late President of Venezuela Hugo Chávez as *“a self-aggrandizing dictator who was more of an aggravation than a real threat, except to his own citizens.”* In Clinton’s opinion Chávez embodied much of the negative history that the region was trying to leave behind.

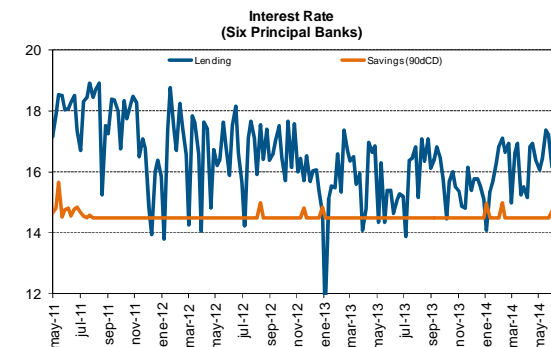
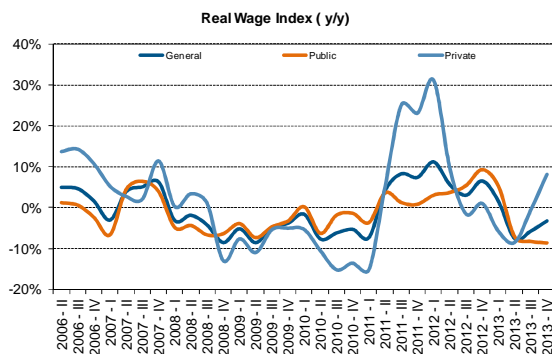
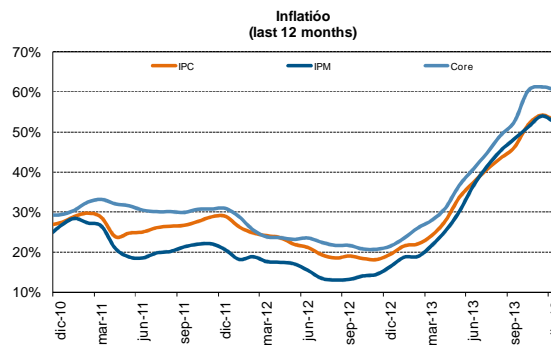
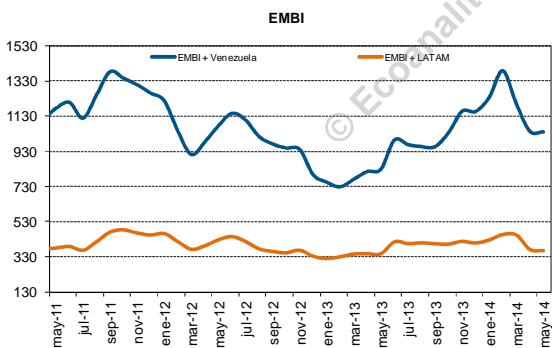
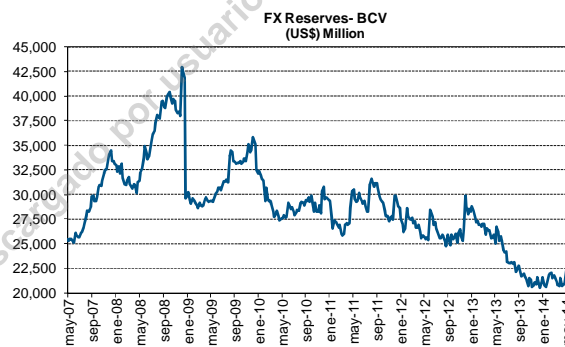
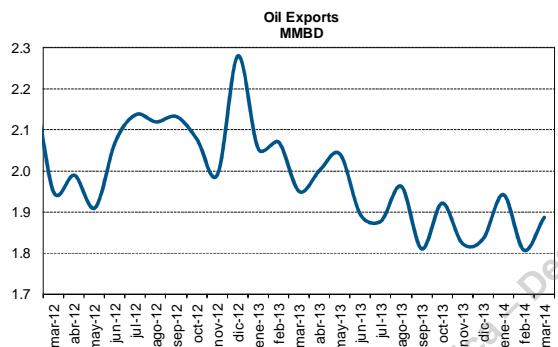
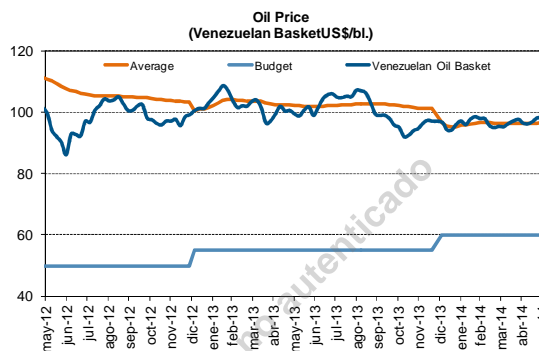
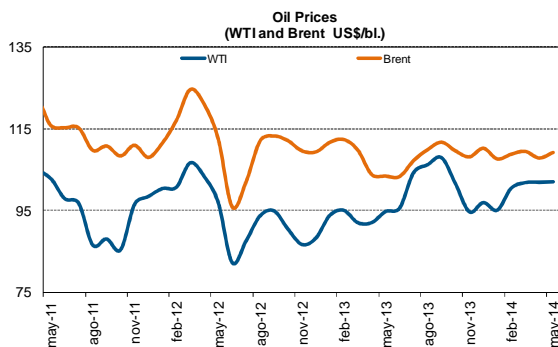
“A million signatures for freedom”. The political party COPEI has started an operative for collecting signatures throughout the country in support of a petition to Pope Francis to intercede with the Venezuelan Government for it to allow a humanitarian measure for Iván Simonovis and all the political prisoners. COPEI’s secretary, Heberto Díaz, announced that, besides setting up collection points throughout Venezuela they will be conducting operatives for collecting signatures in the United States, Colombia, Italy, Panama, and Spain.

LEGISLATIVES TIPS

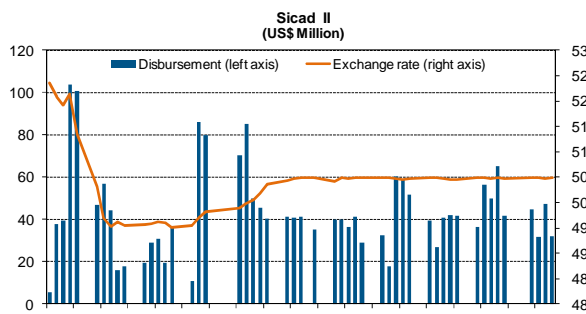
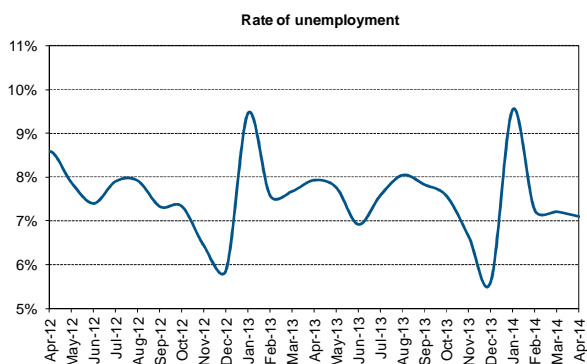
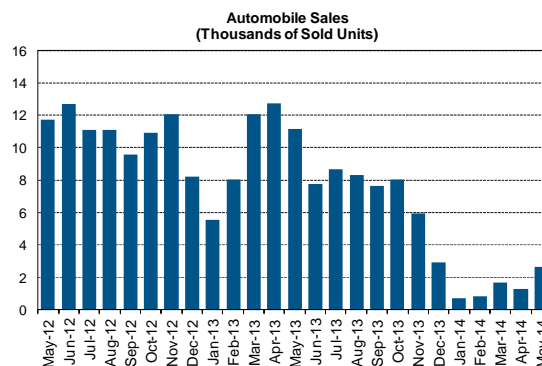
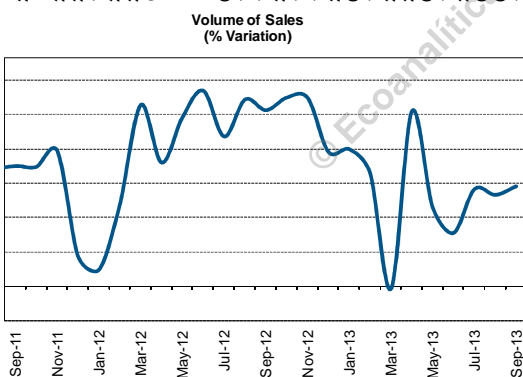
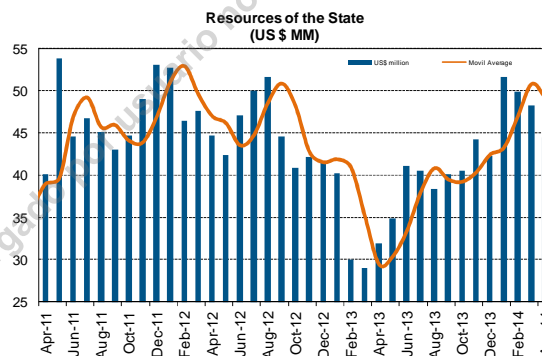
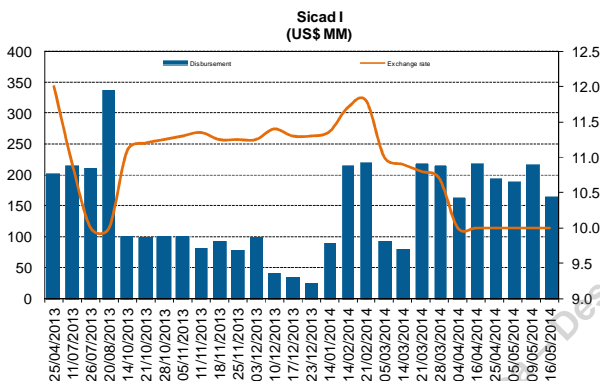
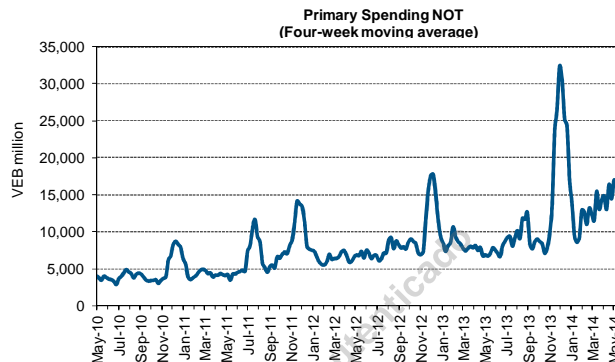
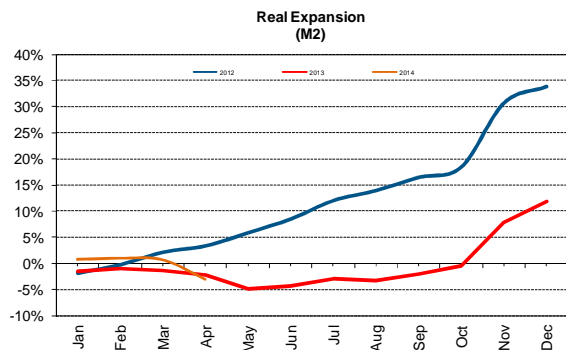
New director at BCV. Through a presidential decree published in the Official Gazette No. 40,429 that circulated this week, appointment Rodolfo Marco Torres, Finance Minister, as head of the Central Bank in representation of the National Executive, while Giordani will remain the Minister of Planning. The BCV is chaired by Nelson Merentes and integrated into the directory Eudomar Tovar, William Reeds, José Khan, Sohail Hernandez and Franklin Mendez.

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ECONOMIC OVERVIEW



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