

Requiem for an oil dream.

The disruption of global trade flows by the COVID-19 pandemic is a negative shock to the world oil market. Falling demand has pushed prices to their lowest levels since 1999 and forced producing countries to adjust their production and fiscal strategies to withstand the adverse environment. In the case of Venezuela, the external shock adds to the prolonged trend of degradation of operating capacities and leaves the national oil industry in a state in which its sustainability and international relevance are compromised in the short and long term.

85 years ago today

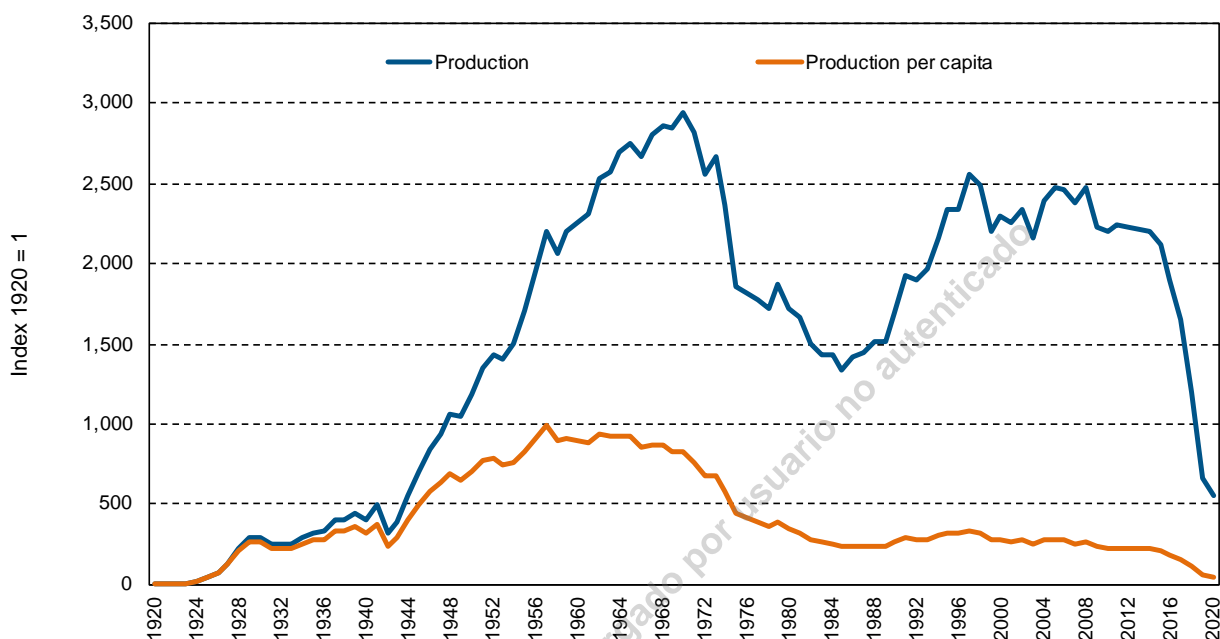
By the end of June, Venezuelan oil production was 393 kb/d¹, which represents cumulative fall of 2,376 kb/d since the end of 2012, in a series in which 66 of the last 90 months have registered falls with respect to the previous month. This production level leaves the 2020 average at 694.7 kb/d, the lowest since 1944. If the production of June is analyzed specifically, this year's production is the lowest since 1934, even lower than that reached at the lowest point of the oil strike in 2002-2003. Meanwhile, per capita production² returned to 1924 levels.

¹ By direct communication, secondary sources place the production at 356 kb/d

² Population estimates do not consider Venezuelan migration.

Year 16. Number 26. Week IV
 July 2020

Venezuelan oil production



Sources: Baptista (2002), PDVSA, OPEC and Ecoanalítica

The club's smallest founder

The drop in Venezuelan oil production is among the largest in the OPEC³, placing Venezuela in 9th place in the list of 14 countries in terms of the size of its production, with only 1.6% of the total production of the organization, the smallest size in absolute and relative terms among the founding members of the organization.

The unscheduled contraction of Venezuelan production unbalances the composition of OPEC cuts for the stabilization of oil prices in the international market. In April⁴, the OPEC+ members agreed to a voluntary 23% reduction in production using as a reference October 2018 levels⁵. Although Venezuela, together with Iran and Libya, is formally excluded from the cuts, its production contracted by 70.5% in the period stipulated, equivalent to meeting the cuts by 306.4%. Within this dynamic, the OPEC is able to meet its target cuts in aggregate terms and allows members with relatively small output to make more modest reductions in output that are offset by the Venezuelan decline.

³ Except for Libya, which has been in a civil war since 2018.

⁴ OPEC together with Russia, Malaysia, Bahrain, Mexico, Oman, Sudan, South Sudan, Azerbaijan, Kazakhstan, Brunei.

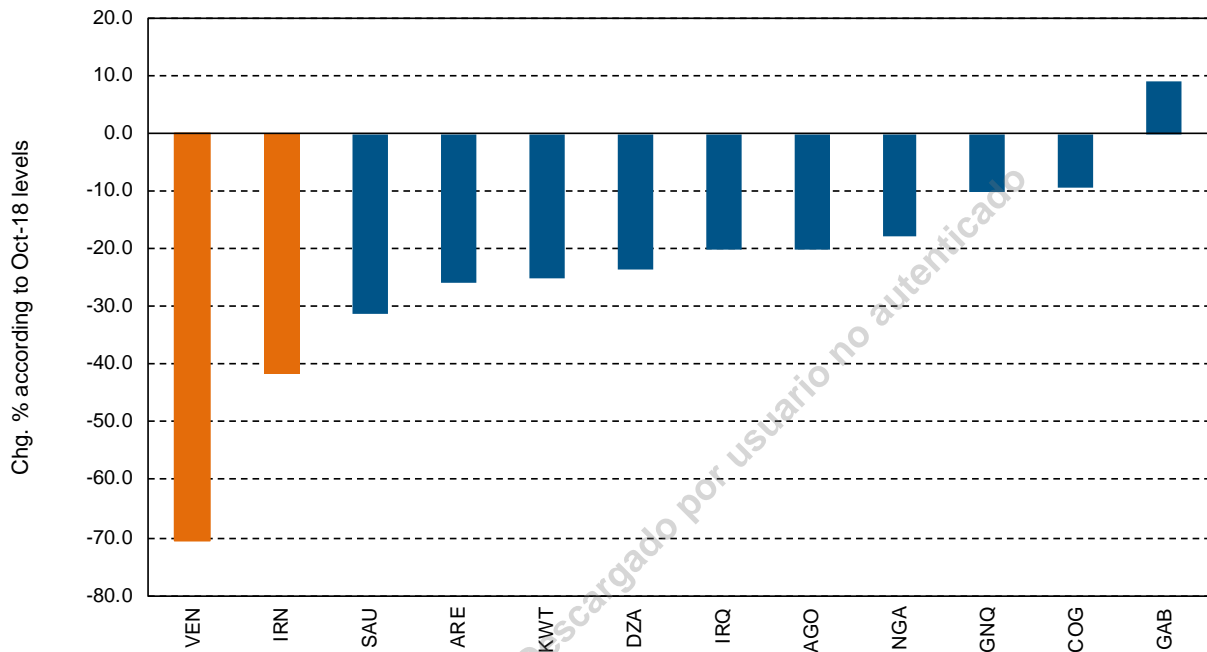
⁵ For Russia and Saudi Arabia, the reference levels of 11,000 kb/d.

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Year 16. Number 26. Week IV
 July 2020

OPEC cuts



Sources: OPEC, S&P Platts and Ecoanalítica

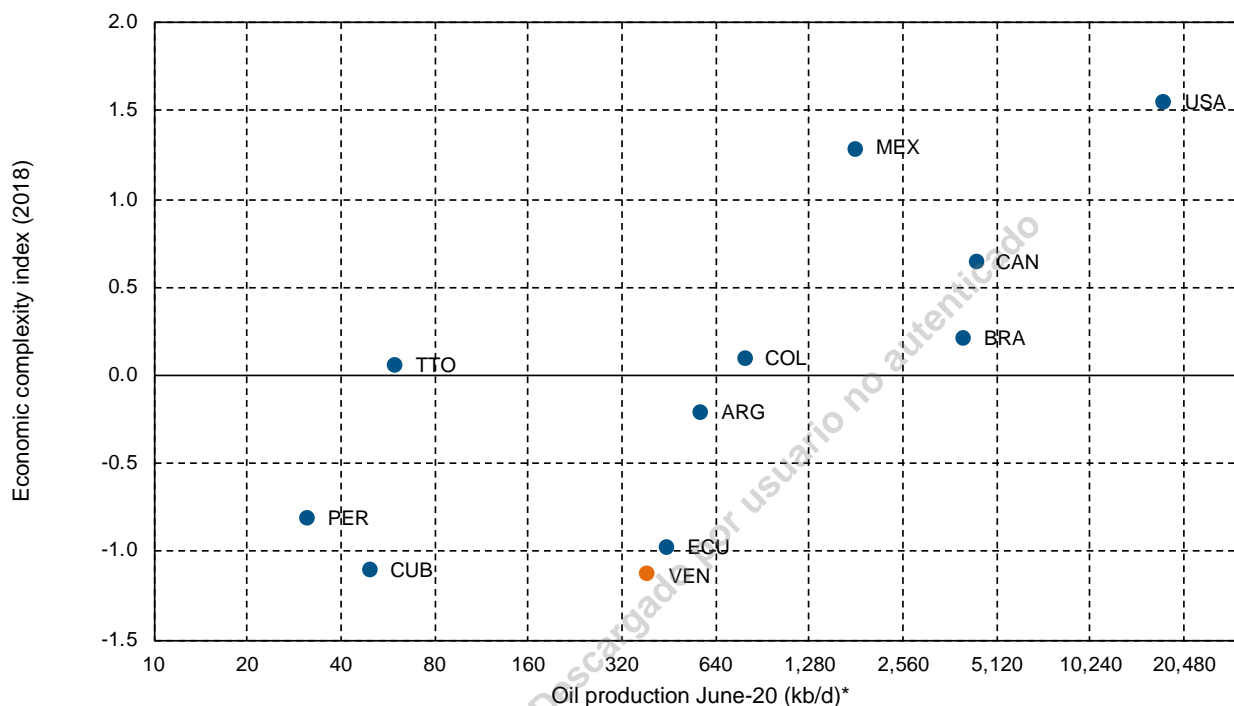
Stragglers in the Neighborhood

Venezuela's relative decline among oil producers is not limited to the OPEC alone. By June, Venezuela had fallen to 8th place among the continent's producers and was displaced by Argentina, Colombia and Ecuador. This loss of relevance, within one of the few sectors where Venezuela had comparative advantages, exacerbates the limited range of maneuvering the country has to insert itself into global trade, since, among oil producers in the Americas, Venezuela has the lowest degree of economic complexity⁶ and diversification of its export profile.

⁶ It refers to the diversity of exports and the degree of productive knowledge, or *know-how*, in that export activity in relation to the rest of the world.

Year 16. Number 26. Week IV
 July 2020

Oil production and economic complexity



*Logarithmic scale

Sources: Atlas of Economic Complexity, IEA, OPEC and Ecoanalítica

Can you be an oil country without processing oil?

The decline in operational capacity extends to the downstream of the oil industry, in particular refining activities. Although Venezuela formally has a refining capacity of 1,303 kb/d, this has been underutilized during the last decade due to logistical and management frictions. Since 2012, Venezuela has expanded its imports⁷ of petroleum products to feed its own operations as a complement to the supply of the fuel market.

Even in an environment where domestic fuel demand contracted by 54.5% between 2013 and 2019 from 782 kb/d to 356 kb/d, the quantities refined by national complexes have declined at a faster rate from 952 kb/d to 135 kb/d in the same period, equivalent to a fall of 85.8%. This aggravates the shortage of fuel and deepens the dependence on imports to supply the domestic market.

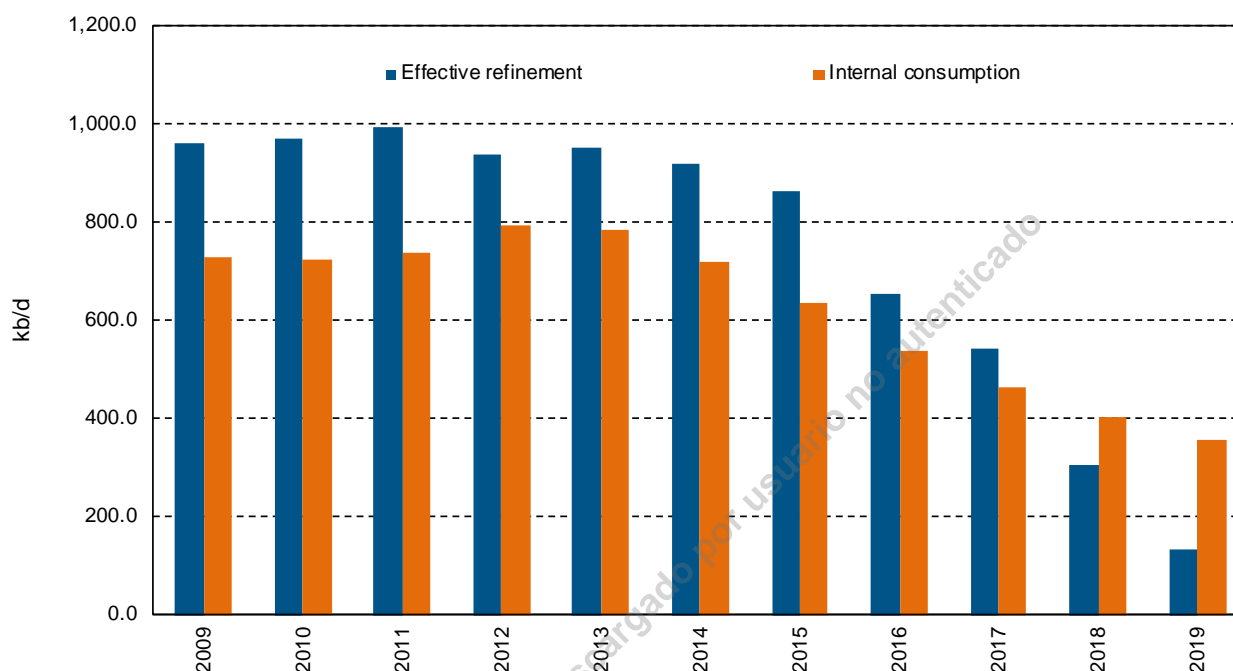
⁷ Especially from the United States.

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Year 16. Number 26. Week IV
 July 2020

Oil refining vs. internal consumption



Sources: BP and Ecoanalítica

A lot of oil that won't see the light of day

The contraction of Venezuelan oil activity can be contrasted with its proven oil reserves, estimated at around 303.8 billion barrels, equivalent to 17.5% of global proven reserves; the largest in the world together with those of Saudi Arabia. For countries with significant reserve levels⁸, the comparison between the size of their proven reserves and their production results in a rate of extraction that spans decades. In the Venezuelan case, the combination of large reserves and low productivity takes that pace to centuries.

By the end of 2019, the ratio⁹ of Venezuela's reserves to its production showed that, if the pace of production was maintained, total extraction of those reserves would take 906.7 years; a result that is 14.6 times the average of the main producers according to the size of their reserves.

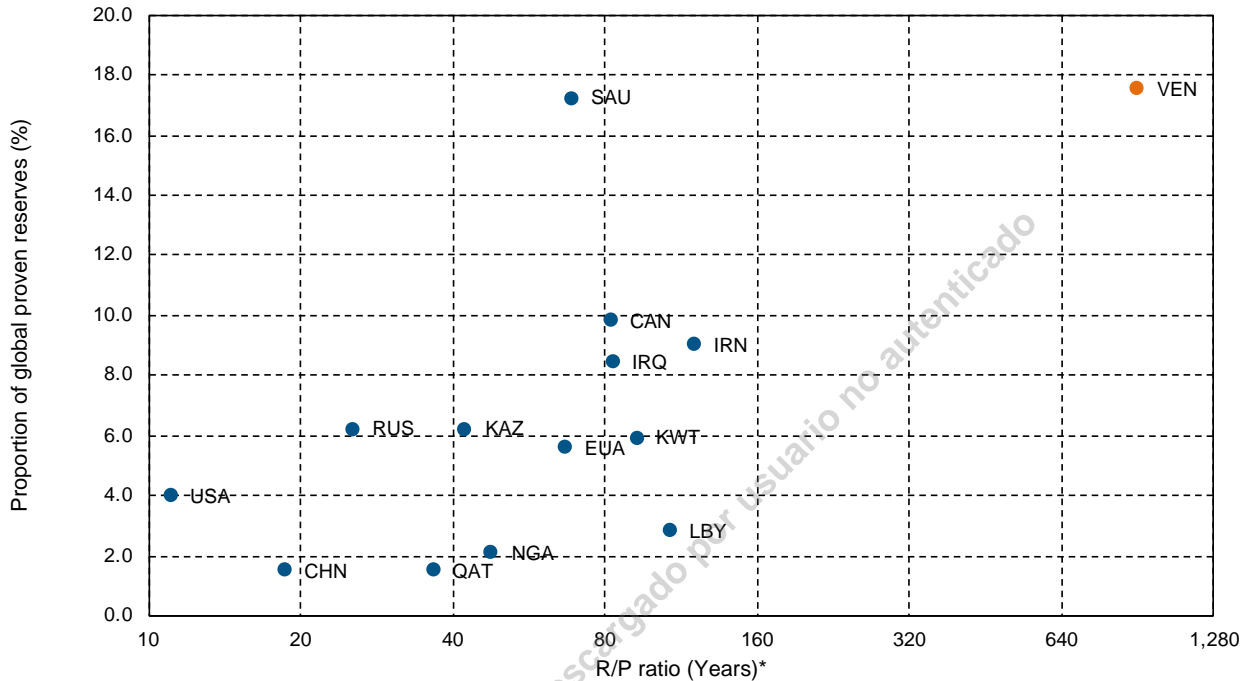
⁸ Fourteen countries each have reserves that exceed 1% of total global proven reserves, accumulating in total 97.7%.

⁹ R/P ratio calculated by taking the reserves at the end of the year and dividing it by the annual production.

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Proportion of global reserves vs. extraction time (2019)



Note: The R/P ratio was calculated as proven reserves over annual production. Delimiting the time it would take to empty them if constant production levels were maintained.
*Logarithmic scale
Sources: BP, OPEC and Ecoanalítica

Although the assumption of keeping production constant for such long periods is unlikely in practice, the exercise clearly illustrates the challenge faced by the Venezuelan industry in extracting and marketing even a small fraction of the oil it has at its disposal. If we calculate with the average production of the first half of 2020, it would take more than a millennium to extract the reserves; and if we take June's production, it extends to more than two millennia.

It's not the end of the oil age, but you can see it from here

The rate of depletion in Venezuela in an environment where demand for fuel may peak in a few decades¹⁰ means that the nation has a small window of opportunity to recover its production to levels where it can take advantage of the market, operating, practically, under the guarantee that most of its reserves will remain underground.

¹⁰ [BloombergNEF](#) (2020). *Oil Demand from Road Transport: Covid-19 and Beyond*.

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At **Ecoanalítica**, we believe that oil will continue to be an essential component in the global energy matrix in the coming decades, but the high levels of production inside and outside OPEC, along with the downward inertia of global demand due to technical and environmental trends, will make the market no longer as profitable as it was during the 2005-2014 oil boom. In this sense, we identify which important aspects should be considered in order to project the future of the national industry:

- Remote growth scenarios in the short term without access to international financing and with limited trading range due to international sanctions. The deterioration in the coming semesters will extend recovery periods and reduce viable growth limits.
- Horizons of recovery that coincide with projections of peak, stabilization and eventual decline in global demand mean that Venezuelan production will hardly have room to grow above its historical maximum.
- The avenues of recovery found in the global trend in the face of falling capital investments to maintain production levels. The relative space of the Venezuelan industry will be subject to decreases in the margins of other small players.
- The current size of the industry, together with international market trends, suggests that even in a recovery scenario, the financial extension of the sector will be insufficient to support the rest of the Venezuelan economy in the way it is configured by the current institutional arrangement.

Giorgio Cunto

Year 16. Number 26. Week IV
 July 2020

WEEKLY INDICATORS

Weekly Economic Indicators			
	3rd Week July	Weekly chg. (%)	Depre/Apre (pp) ¹
FX Boards (VES/USD) ²	223,823.82	4.6	4.4
	2nd Week July	Weekly chg. (pp)	Annual chg. (pp)
Lending Interest Rate (%)	39.2	0.3	12.2
	3rd Week July	Weekly chg. (pp)	Annual chg. (pp)
Overnight Interest Rate (%)	313.4	149.9	187.3
	3rd Week July	Weekly chg. (%)	Annual chg. (%)
International Reserves (USD Bn)	6.4	-0.1	-21.1
	2nd Week July	Weekly chg. (%)	Annual chg. (%)
Monetary Liquidity (MM VES)	145,538,452	4.4	1,900.9
Price of International Oil Baskets (USD/bl)			
	1st Week July	Weekly chg. (%)	Annual chg. (%)
WTI	37.5	1.3	-35.1
Brent	41.0	0.2	-36.1
Price of the Venezuelan oil basket (USD/bl)			
	1st Week July	Weekly chg. (%)	Annual chg. (%)
Weekly Average	22.4	1.3	-62.1
Annual Average	29.8	-0.9	-50.1

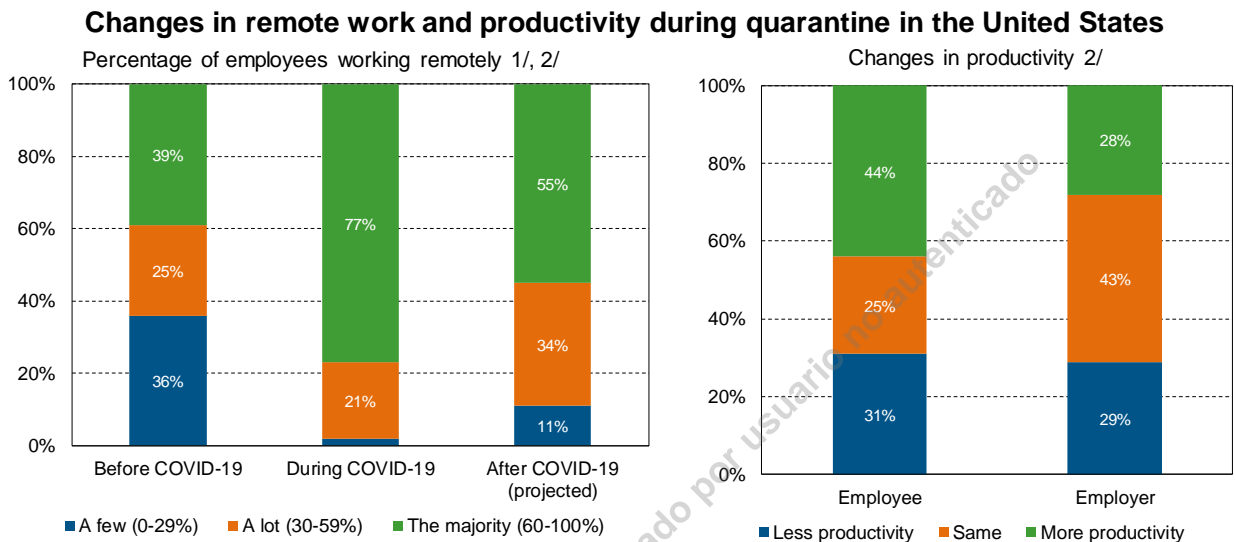
Sources: BCV, MENPET, ONT and Ecoanalítica

* Annual variation of accumulated expenditure.

¹ Depreciation (+)/Appreciation (-)² FX Borads' average exchange rate

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CHART OF THE WEEK: "GROWING UP IN THE DISTANCE"



It is no secret that 2020 will be for many a year of crisis and profound difficulties, but it will also be a year that will mark a before and after in the functioning of companies. An example of this is the large number of employees in many countries around the world who, after the arrival of COVID-19, have worked from home during the quarantine and have kept businesses and operations afloat. Such aspects could give way to an environment in the post-COVID-19 society where remote working predominates with possible positive effects on various economic aspects on a global scale.

A recent survey by PwC of 120 executives and 1,200 employees of various companies in the US in the areas of financial services, technology and consumer products revealed the more intensive use of telework as a tool to "overcome" the harmful effects of the quarantine on employment (as well as even greater possibilities for use once the pandemic is over) and an improvement in the employer's perception (even greater than the employee's own assessment) of the productivity of their subordinates associated with the use of this mechanism.

Even though the survey excludes areas where it is practically impossible to work remotely, such results place telework not only as an alternative to social containment, but also as a tool to improve the quality of employment in the medium term, even though

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many companies are still looking for the best conditions to facilitate remote work for their employees. In fact, this only means that there is still ample room for improvement in the new working conditions, even in the midst of the pandemic.

The growing trend of teleworking could benefit emerging countries. In the US, 17% of the working population is resident in another country, half of which is from Latin America. With the increase in remote working, many people could work from their country of residence for a company in the United States and earn a salary more in line with their productivity. In the long term, this could mean the creation of remote work networks on a global scale that would benefit consumption in developing countries.

Precisely in Latin America, remote work has also increased, but not to the same extent as in developed countries due to technological limitations such as access to the Internet and other related services. It is here where an effort should be made so that the region's economy evolves in the same way as developed economies, that is, to generate incentives for the return of Latin workers who work remotely for more advanced markets. The new export of services would serve as a new lever for future growth of local economies. A new development opportunity for the region seems to be opening up even in the midst of the pandemic.

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ECONOMIC TIPS

COVID-19 in Venezuela. According to official figures, the number of positive cases of coronavirus reached 12,774 on July 23 and the number of deaths was 120 by the same date.

Myopic growth (I). In a new report, the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) updated its economic growth projections for 2020, forecasting a 26.0% drop in GDP by the end of the year compared to 2019.

Myopic growth (II). Thus, Venezuela would be the country with the largest projected contraction in Latin America and the Caribbean, where the drop is 9.1%. Venezuela would double the contraction of the second-last growing country in South America, Peru, with an estimated 13.0% contraction of its GDP.

Bonds and more bonds. Between July 14 and 18, the "Cuidar y Cuidarse" bond was issued through the Patria system for an amount of VES 900,000, while the "Contra la Guerra Económica" bond, granted monthly to pensioners, reached VES 507,000, which represents an increase of VES 207,000 with respect to the amount granted the previous month (VES 300,000).

It accelerated inflation. The National Assembly published its monthly inflation report for July, which indicates a 19.6% increase in prices over the previous month. Cumulative inflation stood at 504.5% and year-on-year inflation at 3,524%.

Highs and lows. In detail, the item that had the highest monthly growth was Services with a price increase of 119.8%, while the item Leisure showed no price increase.

In detail. Other sectors, such as Household Equipment (0.8% monthly), Education (0.8% monthly) and Transport (4.5% monthly) showed the least variation in the index, while Restaurants and Hotels (110.1% monthly), Clothing and Footwear (17.1% monthly) and Food and Non-alcoholic Beverages (13.8% monthly) showed the greatest expansion.

Do we have the rest (I)? After the High Court of London ruled in favor of the ad-hoc board of the Central Bank of Venezuela (BCV), appointed by Juan Guaidó, having power over the 31 tons of gold held by the Bank of England, the possibility of taking control of the rest of the country's international assets is unknown.

Year 16. Number 26. Week IV
July 2020

Do we have the rest (II)? There are deposits in the name of PDVSA or *the Banco de Desarrollo Económico y Social de Venezuela* (Bandes) in Spain and Portugal that have not yet been legally claimed by the ad-hoc boards of these institutions to be controlled by the government of Juan Guaidó; however, it is very likely that new claims will be known in the coming months regarding these assets.

No taxes... In Ruling No. 078-2020 of the Supreme Court of Justice, the Constitutional Chamber ruled that any "*type of tax or contribution of a tax nature, as well as any decree or administrative act of general effect issued for the same purpose by mayors or governors*" is null and void.

...for the next 90 days. That is, the application of the payment of any type of tax dictated by the municipalities or states was suspended for the next 90 days as of July 7.

Money tables. For the week of July 22, the average rate for money tables was VES 237,210.1/USD. This represents a 6.8% depreciation from last week.

Liquids? Liquidity was VES 145,538,452 million for the week of July 10, a variation of 4.35% in nominal terms compared to the previous week (July 3) and 1,469.9% compared to last year.

OIL TIPS

Extended... The U.S. Treasury Department extended General License 2A which protects Citgo from Venezuelan debt creditors such as holders of the PDVSA 2020 Bond or Crystalex.

...protection. The extension was scheduled to expire in July, but the new measure extends the deadline to October this year. Luis Pacheco, head of an ad-hoc PDVSA board appointed by Guaidó, said "*this is a bridge decision until the legal action is over*".

New management (I). In an ordinary session of the National Assembly, Juan Guaidó appointed Carlos Jordá as Chief Executive Officer of Citgo, replacing Rick Esser. Citgo confirmed the appointment and announced that Rick Esser will move to the position of Executive Vice-President.

New management (II). The move is part of the measures taken to protect Venezuelan assets abroad that are in danger of being taken by creditors. In addition, Marcelo Laprea

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Year 16. Number 26. Week IV
July 2020

and Pablo José Pérez will replace Luis Urdaneta and Ángel Oleta as part of the board of directors of Citgo.

Back to the past (I). According to data from the Organization of Petroleum Exporting Countries (OPEC), Venezuela produced 393 kb/d in June, which equals the levels of February 1943, when 353 kb/d were produced.

Back to the past (II). According to an internal PDVSA document, as of July 9th there were nine million barrels of Meroy stored at the José oil terminal, with only room for an additional 800,000 barrels.

Part of a trend (I)? In addition, the OPEC Annual Statistical Bulletin reports that Venezuela's crude oil exports went from USD 34,657 million in 2018 to USD 22,492 million in 2019, representing a decrease of 35.0%.

Part of a trend (II)? In turn, oil exports from all OPEC countries fell by 18.4% from 2018 to 2019, with Iran being the most affected last year with a 68% drop in exports compared to 2018.

White background (I). According to Argus Media, the country's gasoline reserves stored at the Cardón refinery reach 15,410 91-octane barrels and 1,890 95-octane barrels.

White background (II). After the fire at the Cardón catalytic cracking unit, the plant with the capacity to refine 310 kb/d reactivated its activity and is estimated to be producing close to 25 kb/d.

How much is enough for us? According to Argus Media, the demand for gasoline in the country is about 350 kb/d and the demand for diesel is about 200 kb/d, including consumption by electricity generation plants.

They don't stop. According to sources close to El Carabobeño, the Beauty One (with a capacity of 46,851 tons) and Sandino (with a capacity of 73,719 tons), both flying Panamanian flags, will refuel at the El Palito refinery and set sail for Cuba, despite low gasoline inventories in the country.

Going back to shopping (I). Chevron Corp announced the purchase of the oil and gas producer Noble Energy Inc in Israel for USD 5 billion, the first purchase agreement between oil companies since the fall in prices in May this year.

Going back to shopping (II). At this point, the market capitalization of many oil companies has decreased dramatically. With the mentioned purchase, the ownership of

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Year 16. Number 26. Week IV
July 2020

Noble's flagship field, the Leviathan, off the coast of Israel, the largest natural gas field in the Eastern Mediterranean, passes to Chevron.

Siberian development (I). The Russian oil company Gazprom Neft and the Dutch oil company Shell signed an agreement to establish a joint venture on the Gydan peninsula in Siberia to exploit hydrocarbons on a large scale.

Siberian development (II). The agreement is due to be closed this year and would attribute half of the company's ownership to each company involved.

SECTOR TIPS

Dire conditions. Fernando Camino, national coordinator of Producers and Entrepreneurs of the Un Nuevo Tiempo (UNT) party, presented a report that agricultural production is worsening due to fuel shortages, poor electricity service and lack of investment.

Historic decline! According to Camino, this is "*the largest drop in production recorded since 1949, when the country began to record agricultural statistics*".

No supplies, no machinery, no gasoline. The historical decline is due to the scarce supply of inputs, the lack of operating machinery (as only 50% of them work) and the lack of fuel that prevents land preparation work.

Formidable drop in production. This circumstance has caused a significant drop in the agricultural production of corn, rice, sugar cane, coffee, cocoa, fruit trees and vegetables.

Denounce the arbitrary. The Venezuelan National Federation of Livestock Farmers (Fedenaga) denounced the reduction in the price of milk at the farm gate, since this makes it impossible for the primary sector to cover production costs.

Production in dollars. In the press-release published by Fedenaga, they explain that they reject "*the arbitrary reduction of prices at the primary producer level for farm gate milk that has been irresponsibly practiced by a group of businessmen related to dairy processing, without considering the dollarized production cost structure*" that dairy products have.

Possible paralysis. Fedenaga added that the arbitrary reduction threatens the future of production activities, which could lead to a paralysis of the dairy sector. The union also

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declared itself under review because it demands its "*right to live from the fruit of (its) work*".

And the tourists (I)? The National Tourism Council (Conseturismo) reported a drop of 80% in the first quarter of 2020. Conseturismo President Leudo González stressed that since the State of Alarm was decreed in March, due to the emergence of COVID-19, all operations in the tourism sector have been halted.

And the tourists (II)? Gonzalez reported that although there was tourist activity in January and February, activity has been kept to a minimum by the closure of flights. In addition, González revealed that average hotel occupancy was approximately 2% in April, May and June.

Clandestine meat (I). Armando Chacín, president of the National Federation of Cattlemen (Fedenaga), reported that the informal and clandestine meat trade has increased considerably in the country, so there are no basic health guarantees to certify the quality of the product.

Clandestine meat (II). Chacín explained that the informal meat trade is nothing new; however, the situation is truly serious, because herds are not being subjected to mandatory health controls and there is a serious shortage of vaccines, as imports are at a standstill.

Cattle without vaccines. The interviewee reported that 50% of the cattle do not have the necessary vaccines; therefore, they may suffer from diseases that affect productivity and the supply of meat and milk in the country.

A thousand companies less. The president of the Venezuelan Confederation of Industrialists (Conindustria), Adán Celis, explained during a congress organized by the UCAB that in Venezuela there are only 2,200 companies left, but due to the COVID-19 and the unfavorable conditions a thousand more companies could be lost.

Scary numbers. Celis highlighted that the manufacturing sector was already operating at a minimum of 18% of its installed capacity before the pandemic and that the companies' operability will be further reduced by 50%. Additionally, the President noted that more than 60% of companies in the sector estimate that they will be able to continue working for a maximum of six months to a year.

Change required. The president of Fedecámaras, Ricardo Cusanno, declared that it is fundamental to restructure the measures of social confinement and distance in order to prevent a further deterioration of the Venezuelan productive apparatus.

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A very expensive confinement. Cusanno explained that "*the average amount affected by each company was around USD 200,000*" and added that "*50% were totally closed. Behind each of these indicators there is a social drama*".

INTERNATIONAL TIPS

COVID-19 in the world. According to figures published by the World Health Organization (WHO), the number of positive cases of coronavirus reached 14,971,036 on July 23 and the number of deaths was 618,017 for the same date.

Coronavirus restructuring. David Malpass, president of the World Bank, urged the G20 (Group of the 20 major economies) to extend the freeze on official debt payments for the poorest countries until the end of 2021, even considering the start of talks to reduce the debt of some countries.

Rescuing the good things. According to data released by the US Federal Reserve, US manufacturing production increased by 7.2% in June compared to the previous month. According to the agency, such growth is mainly due to higher vehicle production in the midst of the reopening of businesses.

Another battle of the trade war (I). In a statement issued by the Chinese Ministry of Commerce, it was announced that "*anti-dumping*" tariffs will be imposed from July 18 on propanol imported from the United States, used as a printing ink solvent for food packaging and for the production of antibiotics.

Another battle of the trade war (II). The objective of this tariff is to avoid a form of unfair competition, which consists of selling at prices below the cost of production (known as "dumping"). Thus, the ministry indicated that it will raise the tariff in the case of The Dow Chemical Company to 254.4%, while in the case of OXEA Corporation and all other U.S. companies it will be 267.4%.

An historical agreement (I). European Union leaders reached a "historic" agreement on a massive stimulus plan for the recovery of economies devastated by the coronavirus. The agreement allows the European Commission, the EU's executive arm, to raise euros on the capital markets on behalf of the 27 member states.

An historical agreement (II). The European Commission will borrow EUR 750 billion, of which EUR 390 billion will be disbursed in transfers and EUR 360 billion in cheap loans.

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Year 16. Number 26. Week IV
July 2020

The summit agreement does not mean that the European bloc will establish a fiscal union, although some experts see it as a first step.

How much is there for Spain? Of these funds, the Spanish government assured that it will receive some EUR 140 billion, of which EUR 72.7 billion will be transfers, adding that the package will allow the bloc to promote strategic axes such as the ecological and digital transition.

Back to normal (I)? Bruno Le Maire, France's finance minister, said that French consumer spending has approached normal levels, adding that the savings forced on households during the period of coronavirus confinement could boost consumption in the coming months.

Back to normal (II)? Le Maire indicated that a few weeks ago consumption in France was 30% lower and is now only 5% below what was observed before the quarantine.

More fiscal stimulus. In addition, the French minister announced a EUR 460 billion coronavirus rescue plan, which will be distributed in the form of emergency loans for businesses and other measures.

Saving the airlines. The European Commission approved a EUR 3.4 billion rescue package promised by the Dutch state to the airline KLM. The Netherlands had committed to support the Dutch branch of Air France-KLM with EUR 2.4 billion in bank loans with guarantees and a direct loan of EUR 1 billion.

The first figures from Asia are not promising. The Singapore Ministry of Trade and Industry published that GDP in the second quarter of 2020 fell by 12.6% year-on-year. This presents a record contraction, leading the Asian city-state into a recession.

Back up. Nayib Bukele, the president of El Salvador, cancelled the second phase of the reopening of economic activities in his country, scheduled for July 21, after evaluating the recommendations on the coronavirus given by experts and health authorities.

It's time to negotiate with creditors. The Government of Ecuador issued a request for consent with bondholders to amend the terms of foreign debt by USD 17.4 billion. The Ecuadorian government has already secured the endorsement of a group of creditors holding about half of the bonds for a recently announced debt restructuring proposal.

Goodbye quarantine? Chilean authorities presented a plan to move towards a gradual de-confinement as certain indicators of coronavirus infections in the different regions of the country improve.

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Year 16. Number 26. Week IV
July 2020

One step at a time. The "Step by Step" plan consists of five stages from full quarantine to the advanced opening and will be implemented according to epidemiological criteria, the capacity of the health care network and the traceability of cases.

POLITICAL TIPS

Change of directive. The Supreme Court of Justice (TSJ) dismissed the leadership of the *Voluntad Popular* party on July 7. Due to this, the board appointed by the TSJ will be able to use the party's name, electoral card and any other concept related to the party.

Change doomed. In view of the dismissal of the direct board of *Volad Popular* by the TSJ, party leaders such as Leopoldo López and Juan Guaidó condemned the actions of the Nicolás Maduro government and its attacks on democracy. During the July 7 session of the National Assembly, Guaidó referred to those taking the "reins" of the party as "scorpions of the dictatorship".

Leaders with coronaviruses. Several leaders of Nicolas Maduro's government have tested positive for the coronavirus. Diosdado Cabello, President of the National Assembly, Tareck El Aissami, Minister of People's Power for Industry and National Production, Omar Prieto, Governor of Zulia, and other Chavista leaders have tested positive for the disease.

Loyalty rewarded! Nicolás Maduro ratified Padrino López in his position as Minister of Defense, making him the longest serving military man in the last six decades.

Back (I). Juan Guaidó announced during the XX Meeting of the Andean Presidential Council, held through the Zoom platform, that his government will resume the process of Venezuela's reincorporation into the Andean Community of Nations (CAN).

Back (II). The presidents of Colombia, Bolivia, Peru, Ecuador and the Secretary General of the CAN, Jorge Pedraza, participated in this meeting. This meeting represents an important step towards the economic reintegration that the Guaidó team wants and the recognition of its legitimacy by its closest allies.

Terrorist tracers. Néstor Reverol, Minister of Interior Relations, Justice and Peace of the Maduro administration, reiterated that they "declared war" on the "Trocheros". As a consequence, the Minister announced that they will apply the Organic Law against

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Organized Crime *and Financing of Terrorism*. Maduro also described the returned Venezuelans as "bioterrorists".

Declaration of war. Reverol declared that "it is necessary that the whole country join in this great day to denounce the trochero". Additionally, he explained that article 42 of the law refers to the illegal trafficking of people to obtain "economic benefit or advantage for oneself or a third party" and that the person who incurs such a crime will be punished with imprisonment from 8 to 12 years.

Pandemic registry. The National Electoral Council (CNE) began a special day for voter registration, from July 13 to July 26, enabling 551 points across the country for citizens to register as new voters or update their data.

Problematic voter registration. The electoral registry initiative has had several problems: internet failures, only 76% of the authorized points work and few people participated in the day because of the confinement measures.

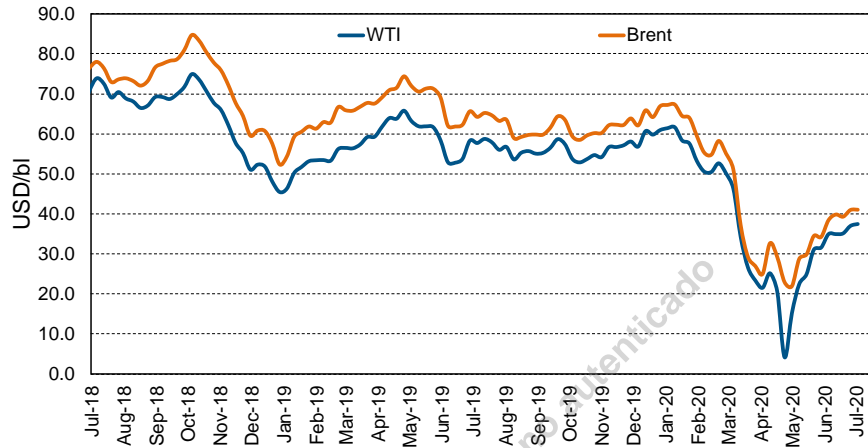
There is a legal defense! Colombian businessman Alex Saab hired the services of former Spanish judge Baltasar Garzón for his defense in the case of extradition to the United States that he faces in Cape Verde. Garzón is known for his role as the judge who issued an indictment against former Chilean dictator Augusto Pinochet in 1998.

More complete report. In an investigation presented on July 15 to the United Nations Human Rights Council, it was reported that the miners of the *Arco Minero* "are trapped in a widespread context of labor exploitation and high levels of violence" by criminal groups that control the mines.

Recognition of the crimes. Juan Guaidó stated on his Twitter account that "The UN reflected the dictatorship's protection of irregular groups in the *Arco Minero*". Guaidó added that the Southern Command recognized "Maduro's links with all the cartels in Latin America".

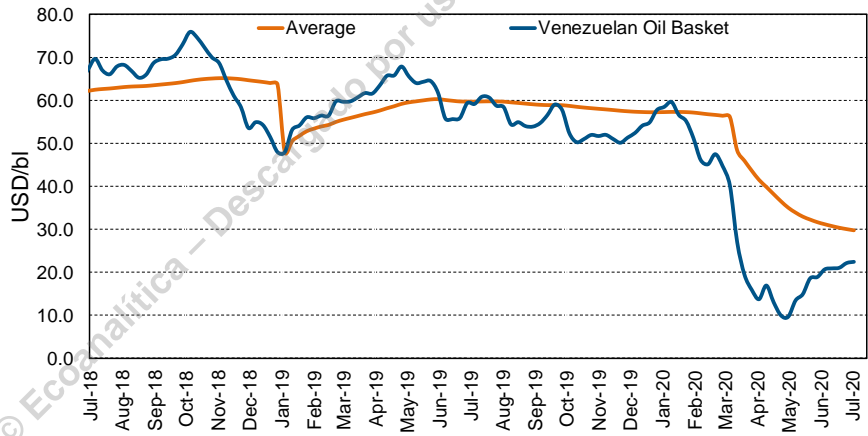
ECONOMIC INDICATORS

**Oil Prices
(WTI and Brent)**



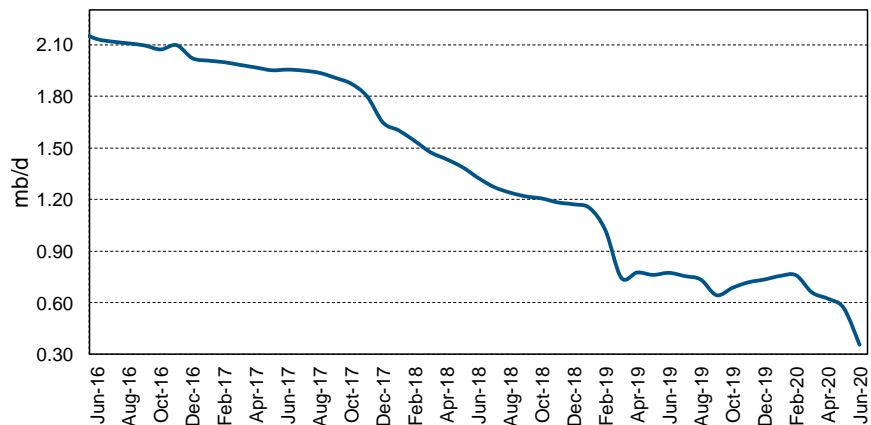
Sources: Menpet and Ecoanalítica

**Oil Price
(Venezuelan Basket)**



Sources: Menpet and Ecoanalítica

**Oil Production
(Secondary sources)**



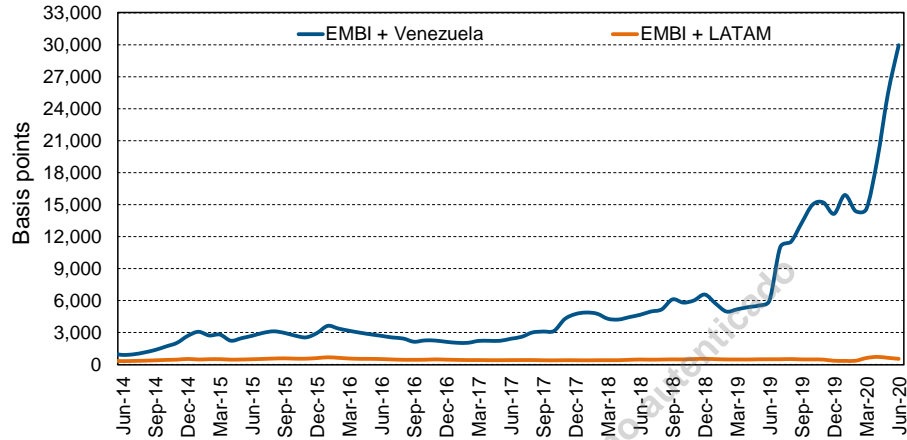
Sources: OPEC and Ecoanalítica

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Year 16. Number 26. Week IV
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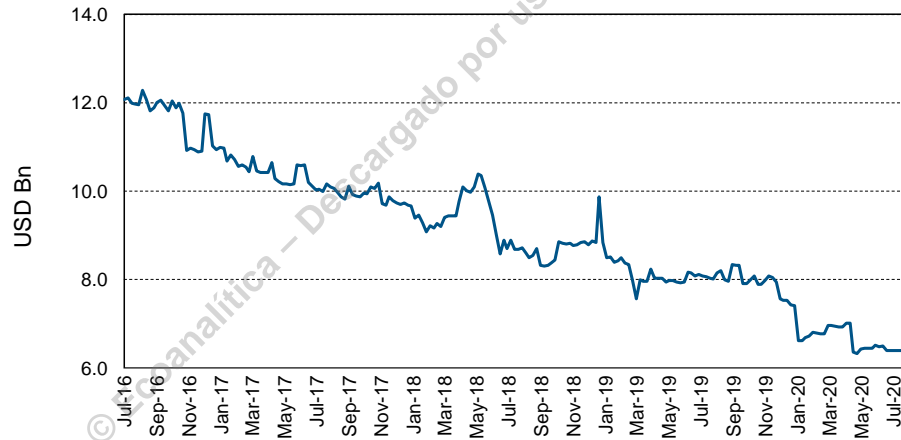
ECONOMIC INDICATORS

EMBI



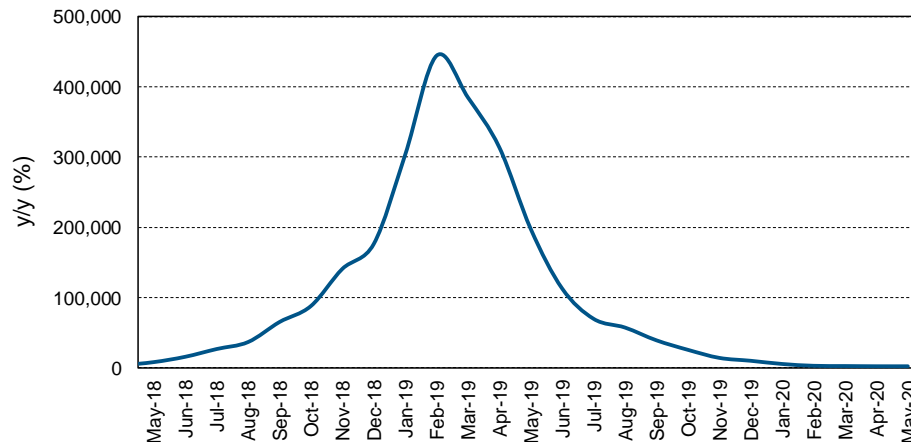
Sources: BCRP and Ecoanalítica

FX Reserves (BCV)



Sources: BCV and Ecoanalítica

Inflation (BCV)



Sources: BCV and Ecoanalítica

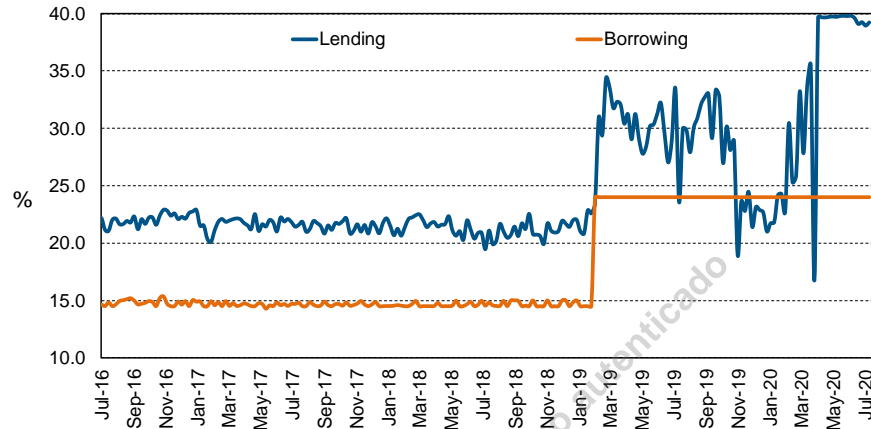
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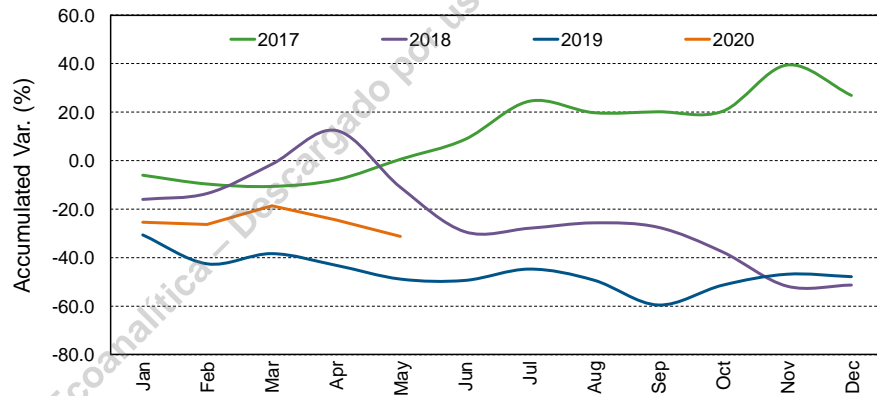
ECONOMIC INDICATORS

**Interest Rate
(Six major banks)**



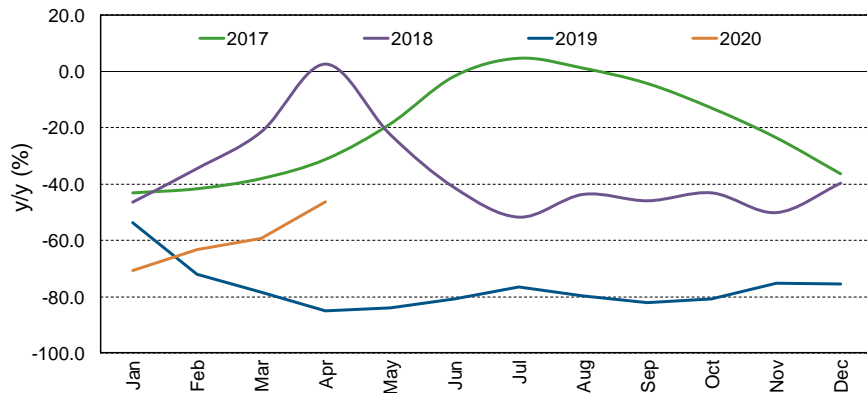
Sources: BCV and Ecoanalítica

**M2 Expansion
(Real)**



Sources: BCV and Ecoanalítica

**Loan Portfolio
(Real)**



Sources: SUDEBAN and Ecoanalítica

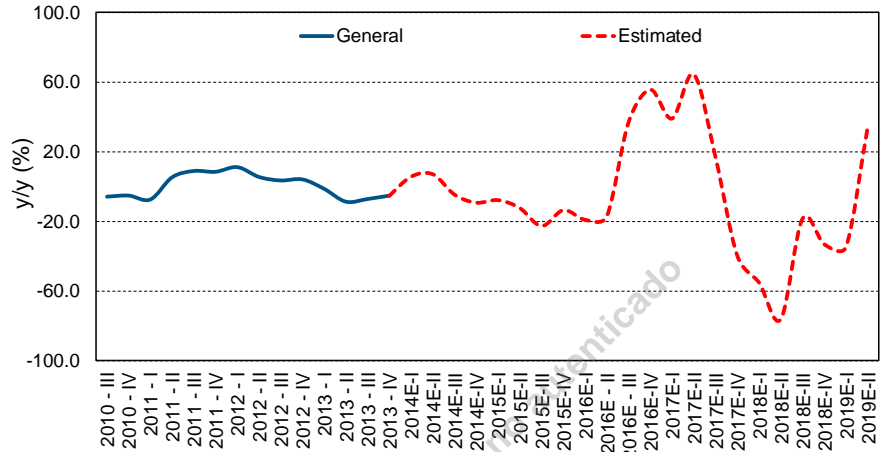
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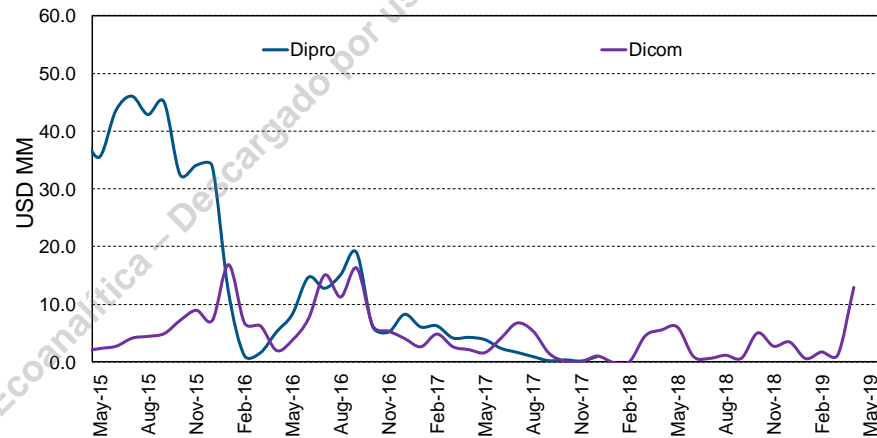
ECONOMIC INDICATORS

Real Wage Index



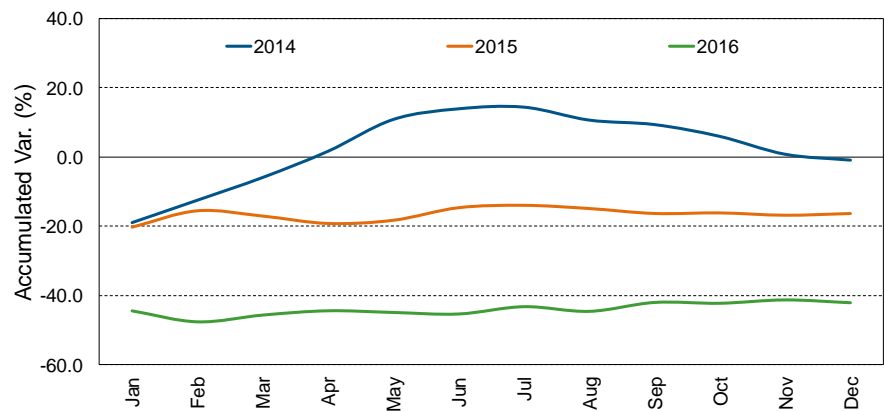
Sources: BCV and Ecoanalítica

Disbursements to the Private Sector (Daily Average)



Source: Ecoanalítica

Primary Spending NTO (Real - Central Government)



Sources: ONT and Ecoanalítica

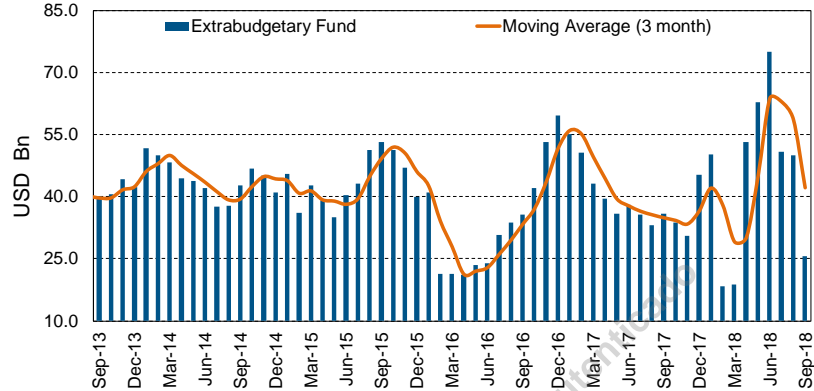
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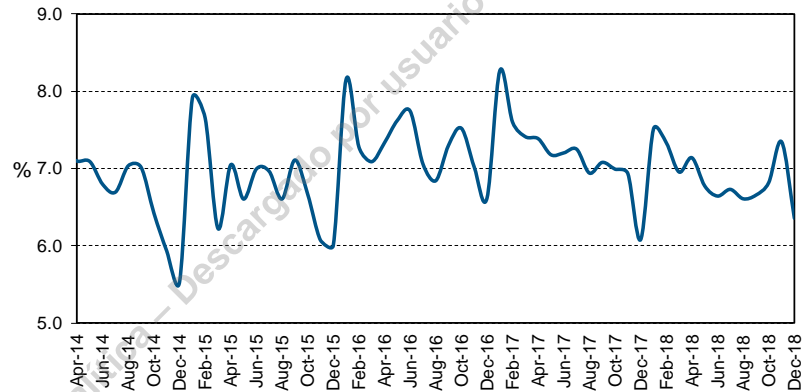
ECONOMIC INDICATORS

State Extrabudgetary Resources



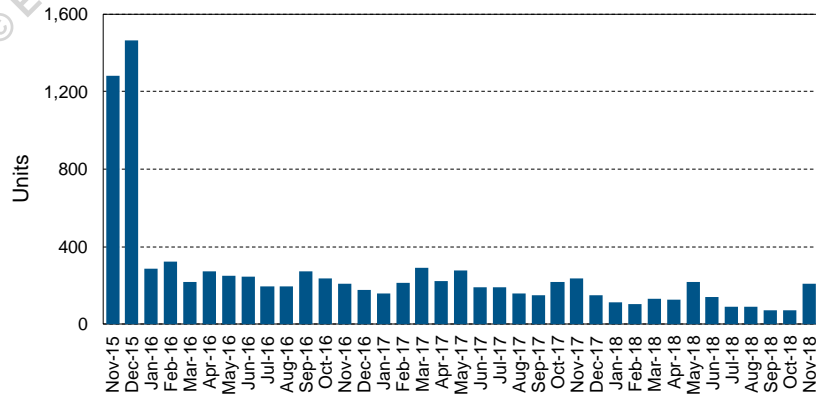
Source: Ecoanalítica

Unemployment Rate



Sources: INE and Ecoanalítica

Vehicle Sales



Sources: CAVENEZ and Ecoanalítica

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