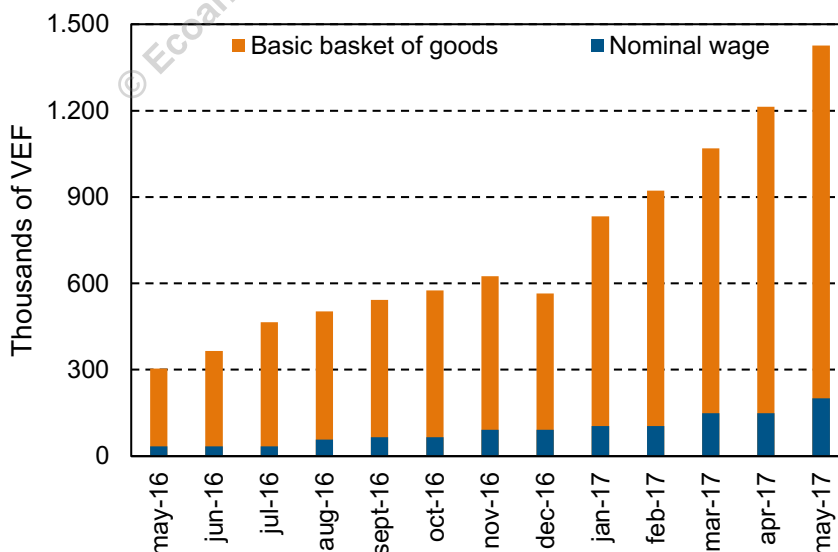


The consumption odyssey

The steady decline in gross domestic product (GDP) in recent years (24.7% between 2014 and 2016) is the consequence of a cumulus of wrong decisions. From production to investment to consumption and transactions in the external sector, the economy has been shaken by constant escalating processes of adjustment that have distorted essential variables such as relative prices, and this has had repercussions on the allocation of resources and the efficiency of production processes.

The conditions described above have gradually eroded the well-being of consumers. Purchasing power in the first quarter of 2017 (1Q2017) fell by 42.6%, cumulative inflation up until June 2017 was close to 196.4%, and, according to the Documentation and Social Analysis Center of the Venezuelan Teachers' Federation (CENDAS-FVM), shortages were in the region of 29.3%.

Basic basket of goods vs. Minimum wage



Sources: Cendas. Official Gazette and Ecoanalítica

On the other hand, external distortions are having an impact on agents. Due to the fact that instability and uncertainty prevail when it comes to determining the exchange rate, the increases in consumer prices come fast one after the other and each one steeper than the last.

Weighted Exchange Rate of the Venezuelan Consumer (VEF/USD)

	Jun-16	May-17	Jun-17	y/y (%)	m/m (%)
Food and nonalcoholic beverages	497.7	2,881.0	4,238.3	751.6	47.1
Alcohol and snuff	925.6	5,198.6	7,162.6	673.8	37.8
Clothing and footwear	961.7	4,728.7	6,804.9	607.6	43.9
Rent	691.4	1,862.4	3,468.7	401.7	86.2
Housing services (except telephone)	623.7	1,823.1	3,519.8	464.4	93.1
Household equipment	988.8	5,010.7	6,958.2	603.7	38.9
Health	492.5	1,957.2	3,141.2	537.8	60.5
Transportation	661.1	2,411.0	4,013.0	507.0	66.4
Communications	668.2	1,673.7	3,636.7	444.2	117.3
Recreation and culture	699.8	2,049.7	4,024.6	475.1	96.4
Education services	506.7	1,377.8	2,891.9	470.7	109.9
Restaurants and hotels	661.1	1,564.3	3,234.1	389.2	106.8
Micellaneous goods and services	246.7	1,743.1	2,890.2	1,071.5	65.8
Total	624.1	2,687.0	4,262.0	582.9	58.6

Sources: BCV and Ecoanalítica

In hyperinflationary, or quasi hyperinflationary, scenarios, faced with the need to constantly put up prices, companies opt for indexing them to a hard currency. Tacit dollarization is a common response in economies of this type. In this situation, consumers face higher prices, further compounding their already precarious circumstances.

Consumption options are reduced, as is the capacity for saving; inflation is concentrated in essential goods, and, since doing without them is practically impossible, the obvious solution is to put up wages, which generates even bigger price increases through a process of making adjustments to cost structures. This situation has forced the population to make increasingly frequent adjustments to its consumption patterns in order to be able to cope with the turbulent Venezuelan economy.

Below we will briefly describe the circumstances surrounding the behavior of private consumption, its causes and consequences, and what the impact of this behavior has been on the real economy.

What's happening with consumption?

Undoubtedly, the circumstances described above make it more difficult for people to meet their needs; but how have people responded? It is true that consumption has contracted. At **Ecoanalítica** we estimate that the contraction in consumption was -15% in 2016, and we forecast that it will be -15.4% in 2017. These reductions are due, mainly, to the contraction in aggregate supply and the deterioration in purchasing power. Raising wages to compensate for this has not achieved what it was meant to; wage increases happen more slowly than the increases in prices, always lagging behind inflation.

According to the permanent income hypothesis (Friedman¹, 1957), consumption takes a bit of time to adjust to current income levels, in other words, low real wages today will have repercussions on consumption tomorrow. Friedman explains that consumption depends on the average income received in the past and the present and expected income in the future. A study conducted by Ramoni and Orlandoni² (1999) indicates that the aggregate marginal propensity to consume in the long term (based on the permanent income hypothesis) for Venezuela is 0.77. This makes it clear that, on average, the population traditionally spends almost all its income on consumption.

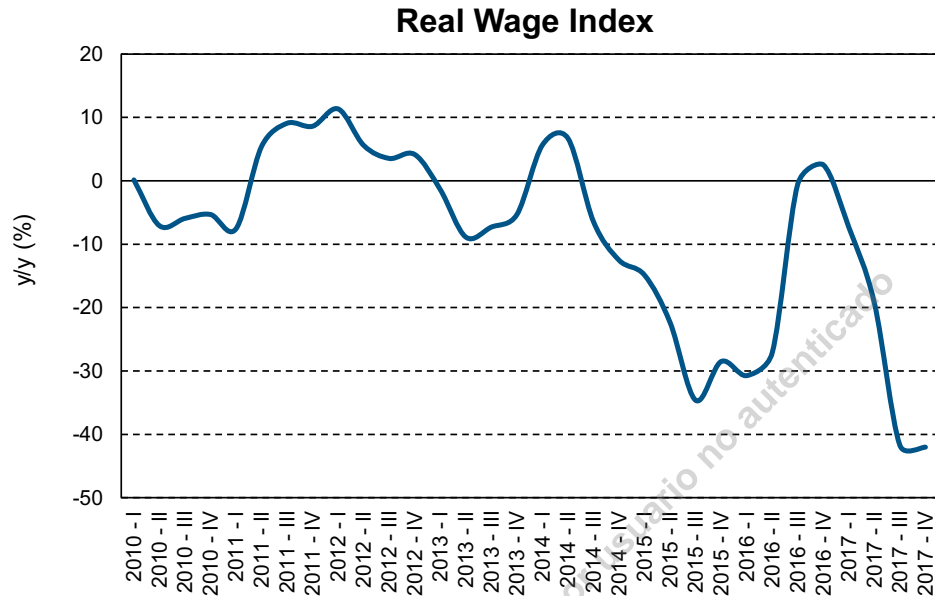
Assuming that consumption is determined by the level of prices, income, agents' preferences, and interest rates, the recent behavior of these variables suggests that the incentives are for ever increasing volatility.

As we explained earlier, income moves at a different pace to prices, which implies that real wages have shrunk.

¹ Friedman, Milton (1957). *A theory of the Consumption Function*. New Jersey: Princeton University Press.

² Ramoni Josefa and Orlandoni Giampaolo (1999). *Un modelo de consumo de largo plazo para Venezuela (1968-1996)*. Revista Economía. Faculty of Economic and Social Sciences (FACES), Universidad de Los Andes (ULA), Edition No. 15.

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Sources: BCV and Ecoanalítica

Assuming that expected income is less than current income, economic logic would indicate that savings would increase to cushion the drop in future consumption. On the other hand, if current income is low, a person would resort to borrowing as a way of mitigating changes in their standard of living. These decisions will depend on whether the person perceives the changes in income as being temporary or permanent.

Bearing in mind the restrictions on access to liquid assets and the persistent existence of negative interest rates, agents that expect a worsening of the crisis will have few incentives or scant possibilities for saving.

Moreover, even though these negative interest rates encourage borrowing, the existence of credit rationing reduces the possibilities of cushioning the decline in consumption for those who aim to take advantage of them.

Consequently, agents are forced to adopt a consumption dynamic that is highly dependent on current income in each period.

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Cushioning the decline in consumption is not as easy as it looks

In a situation where prices are spiraling, agents will try to preserve their levels of wealth by taking refuge in the purchase of assets that do not lose their value over time.

Based on the fact that consumers will seek to maintain a stable level of consumption throughout their lives, the most attractive option for achieving this are liquid assets, given that they can be easily converted into cash in the short term and so cover the costs of consumption. Foreign currency, foreign debt papers, and cryptocurrencies are just some of those assets.

Among the most liquid of these assets, the most popular in Venezuela is foreign currency. However, given the difficulty in acquiring foreign currency in cash³, this is an option that is out of reach for the lower-income strata. This is due, mainly, to the impossibility of opening accounts abroad and the absence of contact with reliable foreign exchange dealers.

Foreign debt markets are, likewise, out of reach for people with medium or low incomes, but even more so, as the volumes traded in these markets act as a kind of filter for certain strata, besides the fact that a person has to have foreign currency in order to gain access to them.

The only option left are cryptocurrencies, and while they can be acquired in exchange for local currency and do not need a bank account abroad, the prices at which they are traded are highly volatile and the information barriers for gaining access are considerable.

Banks take on a leading role

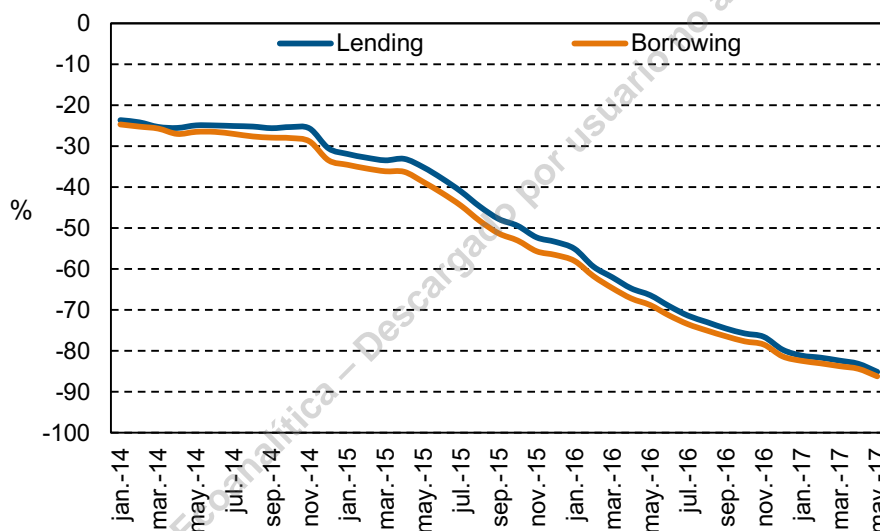
Due to the fact that wages are insufficient and interest rates are negative, agents resort to credit to obtain the goods and services they need on a daily basis. As at May 2017, total consumer loans came to VEF 7.7 trillion, which is equivalent to 43.1% of money supply. Commercial loans accounted for 74.7% of the total, credit cards 21.6%, and the remaining 3.7% was for consumer installment loans and for the purchase of vehicles. In May 2017, the increase in credit granted via credit cards was 189.8% compared to May 2016.

³ As a consequence of the restrictions imposed by the government on the foreign currency market.

Borrowing: a desirable but restricted strategy?

As for borrowing, in economies with stable and favorable conditions, a recommendable course of action would be to borrow in order to buy durable goods whose useful life is longer than the period of time for paying off the debt. Due to the peculiarities of the Venezuelan economy, what is “viable” at the moment is to borrow for different types of consumption since future payments will be lower, in real terms, than the loss of purchasing power. It could be said that the use of credit slows down the loss of purchasing power.

Real interest rates



Sources: BCV and Ecoanalítica

Nominal interest rates do not take inflation into account, which translates into distortions for the financial sector. For the saver, negative real interest rates have the effect of “diluting” his money; whereas for the borrower, using borrowed money today allows him to achieve a higher level of profit through consumption than if he waited until he had the cash in hand. The basic reason for this is that the real rate of interest that has to be paid is increasingly less owing to the accelerated increase in prices.

This type of coverage, while it is a partial solution for private agents, faces growing restrictions in terms of access and rationing. The existence of negative interest rates poses a threat to the banking sector’s liquidity position and solvency. For that reason, banks are being forced to impose the restrictions mentioned earlier.

The consumption trend will continue...

Owing to the restrictions on saving and borrowing mentioned above, it is foreseeable that consumption will continue to be highly volatile, pressured by the present performance of the economy. As long as a continuing contraction in per capita income and real wages is expected (-10.4% and -35.1%, respectively, according to **Ecoanalítica's** estimates), the consumption standards of the population will continue to slide to a large extent, with there being scant alternatives for cushioning this decline.

The path of thorns that Venezuelans have to tread in order to (partially) meet their needs is still going to be there. Without a monetary, financial and fiscal reform that would make it possible to put a brake on spiraling inflation and provide incentives for saving/borrowing at positive real interest rates, Venezuelan consumers will continue to be at the mercy of the present.

Ana Isabel Heredia

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WEEKLY INDICATORS

Weekly Economic Indicators			
	2nd Week July	Weekly var. (%)	Depre/Apre (pp) ¹
FX Dicom (VEF/USD)	2,760.0	4.5	4.3
	5th Week June	Weekly var. (pp)	Annual var. (pp)
Lending Interest Rate (%)	21.9	0.1	0.8
	2nd Week July	Weekly var. (pp)	Annual var. (pp)
Overnight Interest Rate (%)	0.3	0.3	-9.9
	1st Week July	Weekly var. (%)	Annual var. (%)
International Reserves (USD Bn)	9.99	-0.2	-16.5
	1st Week July	Weekly var. (%)	Annual var. (%)
Monetary Liquidity (VEF Bn)	23,220	3.3	338.8
Price of International Oil Baskets (USD/bl)			
	1st Week July	Weekly var. (%)	Annual var. (%)
WTI	45.1	-2.4	-0.9
Brent	47.5	-2.7	0.9
Price of the Venezuelan oil basket (USD/bl)			
	2nd Week July	Weekly var. (%)	Annual var. (%)
Weekly Average	41.6	-2.5	9.9
Annual Average	43.5	-0.2	36.6

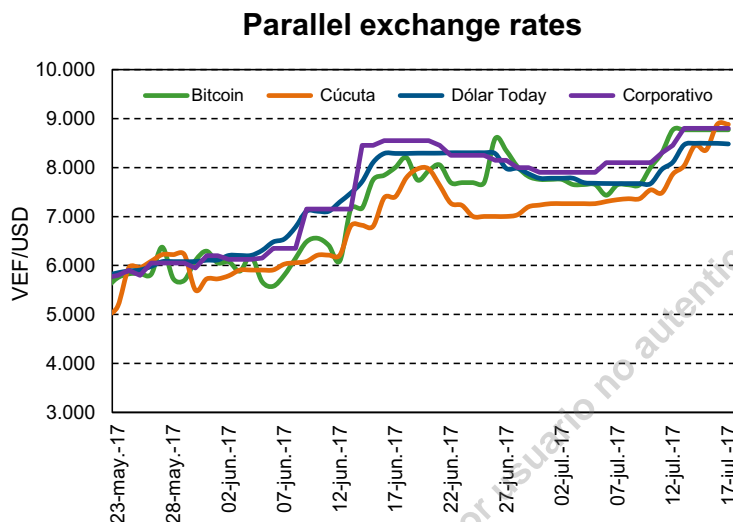
Sources: BCV, MENPET, ONT and Ecoanalítica

* Annual variation of accumulated expenditure.

¹ Depreciation (+)/Appreciation (-)

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CHART OF THE WEEK: “NEW DICOM AND OLD HABITS”


Sources: Dólar web, Bitcoin Venezuela and Ecoanalítica

The “new DICOM” was created with the promise of stabilizing the foreign exchange market. However, now that it has been in existence for eight weeks, it is clear that it is far from achieving that objective.

The new DICOM exchange rate in this system’s first week of operations was VEF 2,010/USD, which contrasts considerably with its most recent rate of VEF 2,760 /USD (a depreciation of 37.3%). This trend is also apparent in the parallel reference rates (DolarToday, Dólar Web, Corporativas, and Bitcoin), each of them posting an upward trend; in other words, they too have depreciated.

The total lack of confidence in the “new” system has reduced its impact on the parallel exchange rate. This, combined with the reduction in the foreign currency allocations, has generated a situation where both private individuals and companies find it necessary to resort to parallel markets to meet their foreign currency requirements.

At **Ecoanalítica**, we estimate that the market exchange rates DolarToday, Dolar Web, Corporativo, and Bitcoin have depreciated by 28.8%, 55.1%, 41.9%, and 39.4% respectively. To put it in a nutshell, nearly two months after the “new DICOM” started operations, we find ourselves in a situation similar to the one that existed back then: the existence of deficient systems for awarding foreign currency at the official exchange rates to cover the population’s demand for foreign currency due to a refusal to recognize market conditions. Old habits die hard.

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ECONOMIC TIPS

The new DICOM rate has gone up. The eighth DICOM auction was conducted under the contingency mode, the same as the previous one, according to information published by the Central Bank of Venezuela. The resultant exchange rate was VEF 2,760/USD.

By drips and drabs. The total amount awarded was USD 30 million, 2% more than at the previous auction. Companies obtained USD 25.1 million (up 2.7% from the previous auction), 85.11% of which will be earmarked for actual production activities (purchasing of raw materials, inputs, spare parts, and capital goods) and 14.9% for importing finished products and contracting services.

No surprises. The international reserves have continued to fall. At the close of business on July 17, they were USD 9.99 billion, for a variation compared to the previous month of -1.9%, and the drop from the close of 2016 was -9%.

Changing controls. According to *Gaceta Oficial* No. 41,192 dated July 13, the Central Bank officially set the maximum annual interest rate for credit card operations at 29% and the minimum rate at 17%, effective July. It also established that the maximum rate for cardholders who are in arrears will be 3%.

The privileged sector. The Central Bank's communiqué also states that the maximum preferential lending rate for tourism credit operations will be 9.29%, according to the provisions of the Tourism Sector Decree that will be in effect for July.

OIL TIPS

We're continuing to grow. A few days ago, the Executive signed a hydrocarbons agreement with the US company Horizontal Well Drillers, with a view to "*strengthening the development of and increase in a country's oil production,*" according to Minister of Oil Nelson Martínez.

How much are they investing? According to Martínez, the agreement contemplates a commitment to make an initial investment of close to USD 200 million for a drilling project consisting of some 200 wells located in the Orinoco Oil Belt. This means that the total investment will be in the region of USD 1.3 billion over a period of three years, where the objective is to increase production by 105,000 barrels a day (105 kb/d) during that period.

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No more. According to an exclusive published by the news agency Reuters, Venezuela's crude and refined product exports to Cuba contracted by close to 13% in the first half of 2017 (1H2017) compared to the same period last year.

We're all suffering from the crisis. During 2017 Venezuela has offset the drop in crude shipments to Cuba with a slight increase in shipments of refined products. Overall, PDVSA sent close to 72 kb/d to Cuba during 1H2017, down 13% from the amount shipped in 2013 (83 kb/d), mainly a contraction in crude (20.9%) and a slight increase in refined products (1.4%).

And down it goes again! According to figures published by the Organization of Petroleum Exporting Countries (OPEC), Venezuela's oil production posted a drop of close to 33 kb/d in June, based on information provided directly to OPEC by PDVSA, the state-owned oil company.

Eight months and counting. June joins an almost interrupted 25-month drop in production (except for September 2016) for a cumulative contraction of 114 kb/d so far this year. Oil production fell by nearly 259 kb/d on average in June compared to June last year.

What about secondary sources? However, when we take a look at the production dynamic based on secondary sources, we find a drop of 13 kb/d between May and June this year (20 kb/d less than posted according to primary sources). Going back to figures from primary sources, the cumulative contraction in production apparently comes to 83 kb/d so far this year, which would mean a drop of 269 kb/d compared to April last year.

Problems? According to figures presented by the Organization of Petroleum Exporting Countries (OPEC), compliance with the proposed quota fell to 78%, 17 percentage points less than in May (95%). A sharp recovery in production in countries such as Nigeria and Libya is starting to emerge as a matter of some concern for compliance with the agreement proposed by the cartel a few months ago.

Don't count on us, for now. A few days ago, Ecuador's Minister of Oil Carlos Pérez admitted that Ecuador's failure to comply with the agreement was for fiscal reasons, given a deficit of close to 7.5 points of gross domestic product (GDP).

BUSINESS SECTOR TIPS

In the lead. According to the balance of financial indicators presented by Rodolfo Marco Torres, Banco de Venezuela's loans portfolio came to more than VEF 2.4 trillion at the close of June, making it the leading bank in terms of loans granted to private individuals and productive sectors.

Breakdown. According to a note by the Venezuelan News Agency (AVN), since it was nationalized in 2009, Banco de Venezuela has granted VEF 227.84 billion in loans to the agricultural sector, VEF 246.68 billion in manufacturing loans, VEF 71.29 billion in loans for tourism, and VEF 50.62 billion in micro loans.

Hitting out of the park. According to Minister for Mining Development Jorge Arreaza, 2,238.5 kilos of gold have been sent to the Central Bank of Venezuela. The Executive claimed that the Mining Arc has 4,300 tons of proven gold reserves.

Cattlemen put forward a proposal. The president of the National Cattlemen's Federation of Venezuela (Fedenaga), Carlos Odoardo Albornoz, proposed a plan for increasing agricultural production based on short-cycle crops and also giving priority to the production of vegetables and incorporating the meat-producing sector.

Looking abroad for financing. Albornoz explained that the crop farming and livestock rearing sectors need around USD 700 million for purchasing 18,000 tractors, suggesting international credit as a viable financing mechanism.

Disputes. On Monday, July 17, the increase in bus and other public transport fares went into effect. This increase was the outcome of a "unilateral agreement" reached by the transport federations; however the Minister for Transport warned that it had not been authorized by the ministry.

Without our daily bread, and going from bad to worse. The president of the National Federation of Flour Workers (Fetraharina), Juan Crespo, said that the country's 15 flour mills are not operating and that, if this situation continues, "*the crisis of bread and wheat and its derivatives is going to get worse.*"

It's on its way. Bolivariana de Puertos (Bolipuertos) reported that 118,000 tons of bulk wheat had arrived at Puerto Cabello on the Caribbean coast on board four ships, as part of the Great Sovereign Supply Mission.

Growth plan for the automotive sector. Minister for the Economy and Finance Ramón Lobo signed the agreement for a plan to jump start the automotive sector. The

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plan, which he called “Venezuela on the Move,” focuses on strengthening motor vehicle assemblers and auto parts businesses and increasing their contribution to the country’s economic growth.

The lead players. Among the companies that signed the agreement were Moto Delicias C.A, Autopartes Lara, C.A., De Caro Motors de Venezuela, C.A., Empire Keeway, C.A., Corporación Kuri Sam C.A., MMC Automotriz, S.A., Soloson Import, C.A., Big Hou Industrial, C.A., KMV, C.A., and the Motorcycle Industrialists, Manufacturers and Assemblers Association (AIFEM).

WORLD ECONOMY TIPS

The trend is towards zero. Inflation in the euro zone slowed down in June, posting 1.4% year-on-year, compared to 1.5% in May and 1.9% in April. Compared to May, inflation was practically zero. Analysts attribute the slowdown in prices to the drop in energy prices.

Lower wages, more employment. Unemployment in the United Kingdom fell to 4.5%, its lowest level since 1975, although the increase in salaries and wages was less than inflation, reducing them in real terms.

And inflation is down a tad. Inflation in the United Kingdom was 2.6% in June, year-on-year, after having reached a four-year high in May of 2.9%. Analysts estimate that the effect of the drop in oil prices is partly offsetting the devaluation of the pound.

The dragon stays strong. In the second quarter of 2017, the Chinese economy grew by 6.9% year-on-year, a better result than forecast by analysts, who expected growth of 6.8%. Growth compared to the previous quarter was 1.7%.

Thanks to strong consumption. Growth was driven in part by retail sales, which grew by 11% in June alone compared to a year ago, their best result since December 2015.

And to export potential. As for exports, they rose by 11.3% in June compared to a forecast of 8.7%, and imports were up by 17.2% compared to expected growth of 13.1%. This meant that the trade surplus came to USD 42.77 billion in June, more than the USD 40.81 billion posted in May.

A spectacular June. Steel production in China came to 73.23 million tons in June, its highest figure to date. As for China’s refineries, they achieved production of 11.21 million barrels a day (mb/d), their second best result ever.

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It continues to slide. Economic activity in Brazil was down 0.5% in May compared April, based on seasonally adjusted figures. This result was in line with analysts' forecasts and continues to reflect the difficulties the Brazilian economy is encountering in overcoming the present crisis.

Low level of confidence persists. Consumer confidence in Colombia was -11.7% in June, after posting -16.9% in May. This is a significant upturn, but still in negative terrain. Consumer confidence in Colombia has been marking an upward trend since May, although it is still a long way from entering positive terrain.

Speculative flight. Net foreign investment in Colombia fell by 21.5% in June compared to June last year to USD 530.5 million due mainly to outflows of speculative capital. However foreign direct investment was up 49.6% last month, mainly in the oil and mining sectors.

Less revenue, less spending. Colombia has proposed implementing a spending cut in its 2018 budgets equivalent to USD 1.67 billion given a contraction in its revenues as a result of weakening economic activity.

POLITICAL TIPS

Final count 7.5 million! Cecilia García Arocha, the rector of *Universidad Central de Venezuela* (UCV) and a member of the group of academicians who acted as guarantors of the plebiscite held by the Venezuelan opposition last Sunday, July 16, announced that, with 95% of the polling reports counted, 7,186,170 people had voted. However, it was announced later that, after having counted all the polling reports, the total number of votes came to 7.5 million.

At home and abroad. A breakdown of the plebiscite's results shows that 6,492,381 of the 7 million votes were cast by Venezuelans inside the country (95%) and that the remaining 693,789 votes were cast by Venezuelans in other parts of the world.

In more detail. The plebiscite organized by the National Assembly together with political parties belonging to the opposition put three questions to voters, to which they were to answer "Yes" or "No." The first question was whether they agreed with the Constituent National Assembly that has been called; the second was whether they agreed with a call to the branches of government to defend the 1999 Constitution; and the third was whether they wanted general elections to be held.

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Taken one by one. An analysis of the results based on the three questions asked gave: to the first question, 98.4% voted “Yes” and 0.13% “No”; to the second, 98.5% voted “Yes” and 0.12% “No”; and to the third 98.3% voted “Yes” and 0.14% voted “No.”

A record to be proud of. Former presidents Andrés Pastrana (Colombia), Laura Chinchilla, Miguel Ángel Rodríguez (Costa Rica), Jorge Quiroga (Bolivia), and Vicente Fox (Mexico), who came to Venezuela as observers of the elections, described the plebiscite as one of the biggest milestones in the history of Latin America.

Words of congratulation and some advice. *“This date will be remembered. It’s a people mobilized against the State, peacefully with votes, in response to a repressor government. Venezuelans should be very proud of this struggle,”* said former President Quiroga, and he also called on the honorable members of the military to lay down their weapons and to not lend themselves to the security operation for the elections (*Plan República*) on July 30.

The counterattack. In response to the presence of the former presidents as observers of the plebiscite, Minister for Foreign Affairs Samuel Moncada declared Andrés Pastrana, Laura Chinchilla, Miguel Ángel Rodríguez, Jorge Quiroga, and Vicente Fox to be *personae non gratae* in Venezuela.

Ruffled feathers. Commenting on the plebiscite organized by the opposition, the president of the National Electoral Council (CNE), Tibusay Lucena, described it as a merely political event, *“an activity for militants”* with no legal consequences. She stressed the importance of not creating *“false expectations”* regarding the plebiscite.

The preparations. Last Sunday, July 16, a test run was held of the elections called by President Nicolás Maduro to elect the members of the Constituent National Assembly and organized by the CNE in order to guarantee that the actual elections, scheduled for July 30, will go smoothly.

The next steps. As a consequence of the results of the plebiscite, the Democratic Unity Alliance has proposed an agenda that it has called *“Zero Hour,”* and that started on Tuesday with a session of the National Assembly at which the final results of the plebiscite were presented as well as the report for appointing the 33 new justices of the Supreme Tribunal of Justice to replace those whose term has ended.

Communication is the most important thing. On the other hand, last Wednesday, meetings of the *“Democracy Rescue Committees”* were organized at the *“sovereign points”* where the plebiscite was held, to clarify what the *“Zero Hour”* involves.

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Down tools. The most decisive activity scheduled for this week was the call to a “national strike” on Thursday, which contemplates not working and blocking the public highways.

Come hell or high water. As for the National Assembly, this Friday it plans to appoint the justices of the Supreme Tribunal of Justice. Last Tuesday, it approved the final report on the appointment of the 33 principal and alternate justices, who are expected to be sworn in today.

More warnings: They’re playing with fire. The president of the United States, Donald Trump, issued a communiqué in which he recognized that in last Sunday’s plebiscite the Venezuelan people had declared their commitment to democracy, freedom, and the rule of law and that, therefore, if the elections to the Constituent National Assembly are held on July 30, the United States would impose economic sanctions on Venezuela.

“They won’t be able to take on Venezuela.” But Venezuela’s Ministry of Foreign Affairs was not to be beaten. In response to the communiqué issued by the White House, Minister of Foreign Affairs Samuel Moncada announced that, on the orders of President Maduro, relations with the United States would be reviewed, as “*this US Government is violating international law; it’s acting against some elections.*”

Hitting hard. A group of senators from Colombia and Chile have filed an accusation against President Nicolás Maduro before the International Criminal Court in The Hague for “*crimes that are the competence of said court, such as torture, apartheid, excessive attacks on a segment of the population, selective murders, mass captures and deportations,*” according to statements given by the parliamentarian Iván Duque to the news agency Efe.

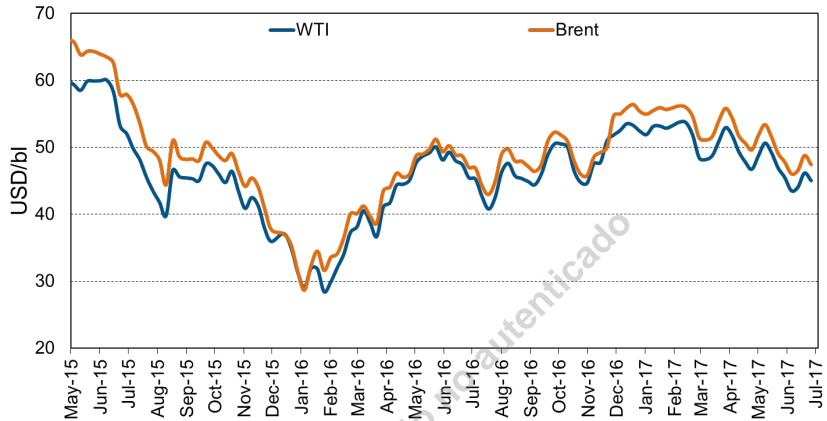
Before the eyes of the world. The outcome of the plebiscite organized by the opposition has generated shock waves in Venezuela. Given the results, the United States, Mexico, Colombia, Puerto Rico, Brazil, Argentina, Panama, Germany, Spain, and the European Union have urged President Nicolás Maduro to suspend the elections to the Constituent National Assembly.

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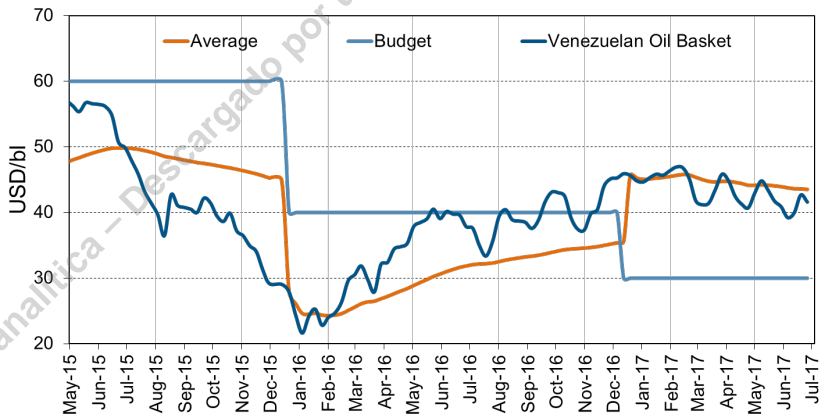
ECONOMIC INDICATORS

**Oil Prices
(WTI and Brent)**



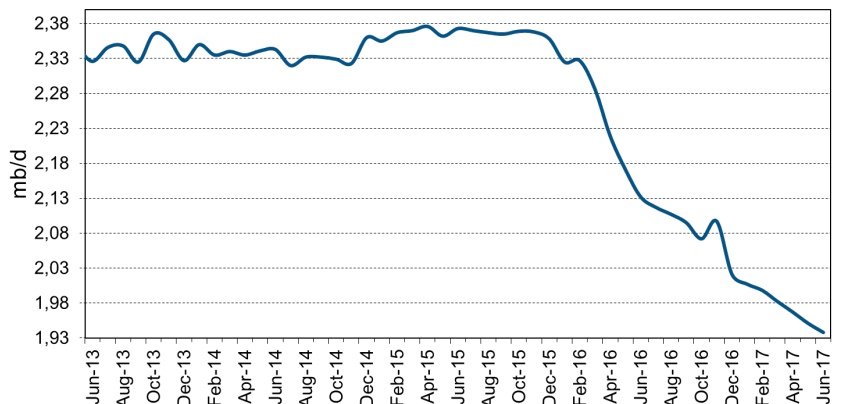
Sources: Menpet and Ecoanalítica

**Oil Price
(Venezuelan Basket)**



Sources: Menpet and Ecoanalítica

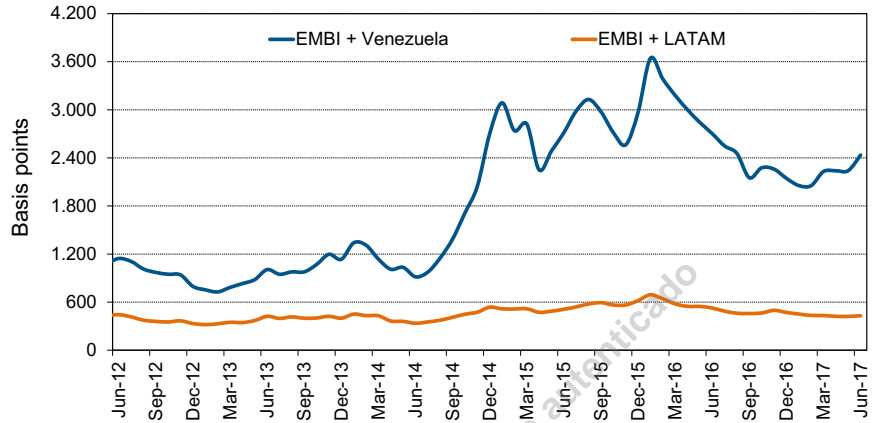
**Oil Production
(Secondary sources)**



Sources: OPEC and Ecoanalítica

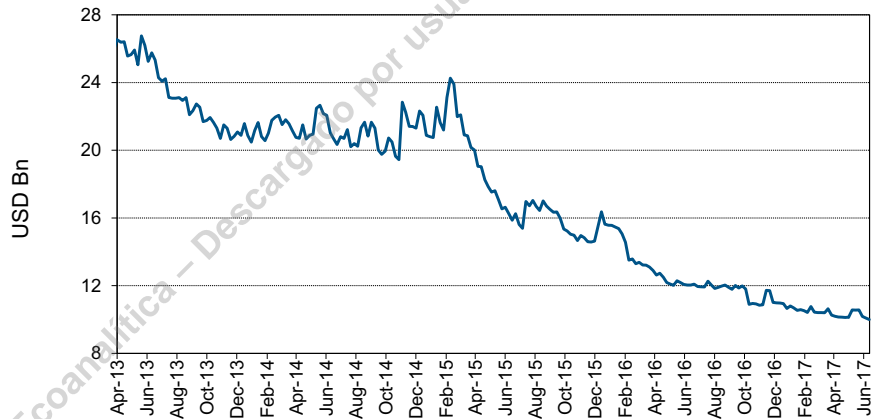
ECONOMIC INDICATORS

EMBI



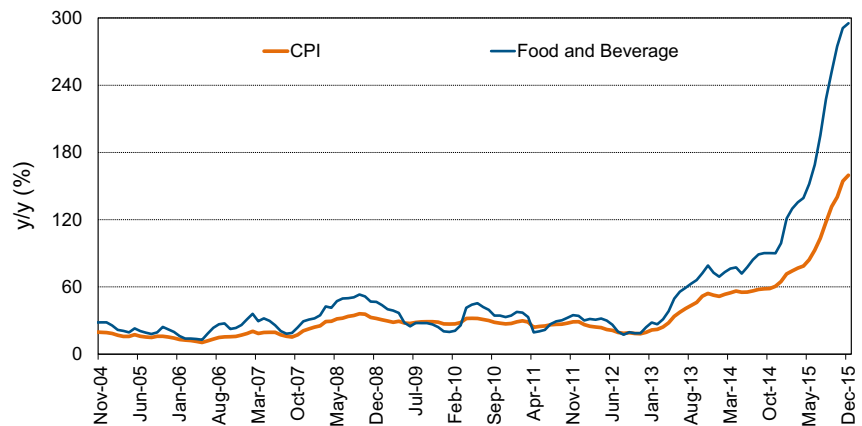
Sources: BCRP and Ecoanalítica

FX Reserves (BCV)



Sources: BCV and Ecoanalítica

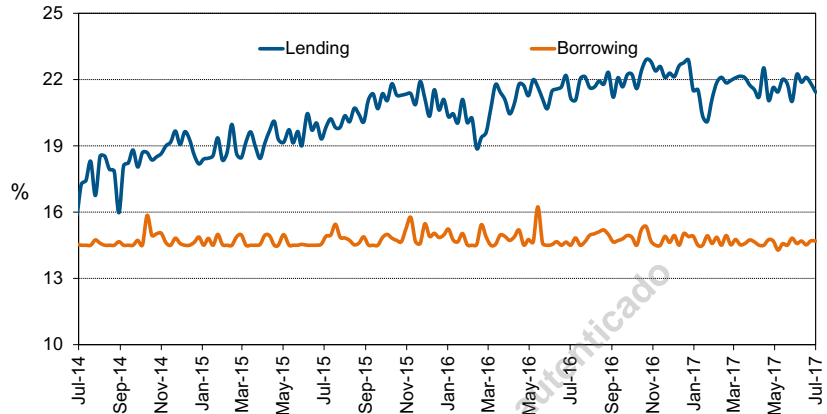
Inflation (BCV)



Sources: BCV and Ecoanalítica

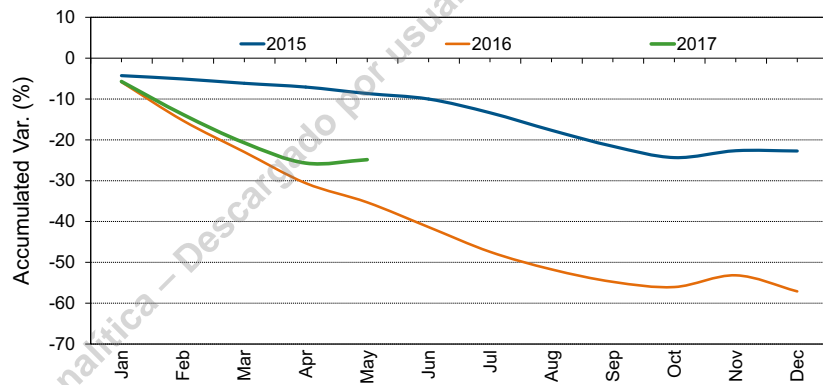
ECONOMIC INDICATORS

**Interest Rate
(Six major banks)**



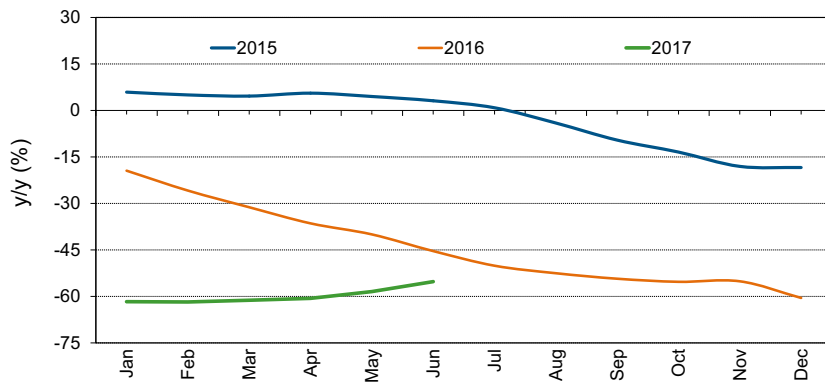
Sources: BCV and Ecoanalítica

**M2 Expansion
(Real)**



Sources: BCV and Ecoanalítica

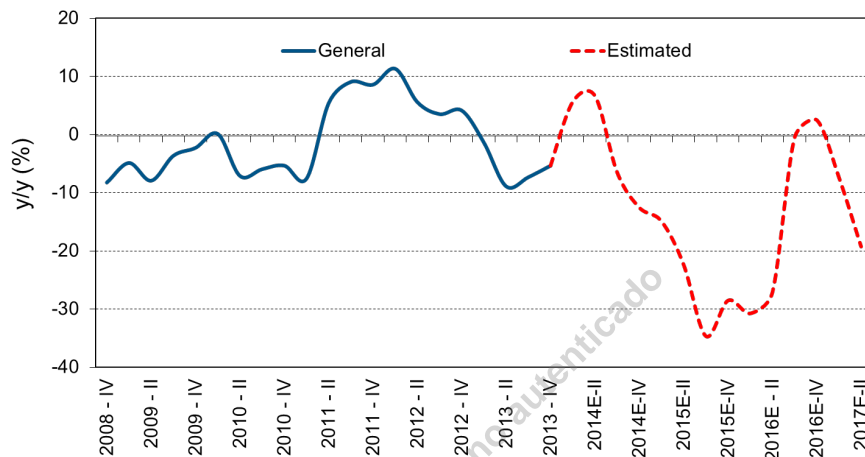
**Loan Portfolio
(Real)**



Sources: SUDEBAN and Ecoanalítica

ECONOMIC INDICATORS

Real Wage Index



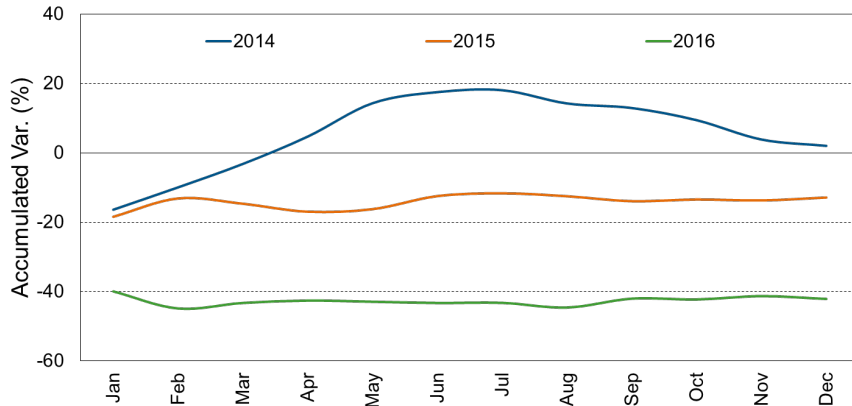
Sources: BCV and Ecoanalítica

Disbursements to the Private Sector (Daily Average)



Source: Ecoanalítica

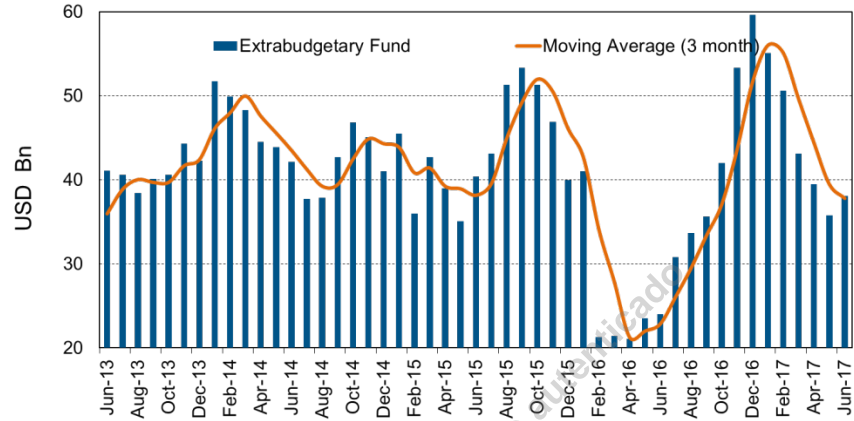
Primary Spending NTO (Real - Central Government)



Sources: ONT and Ecoanalítica

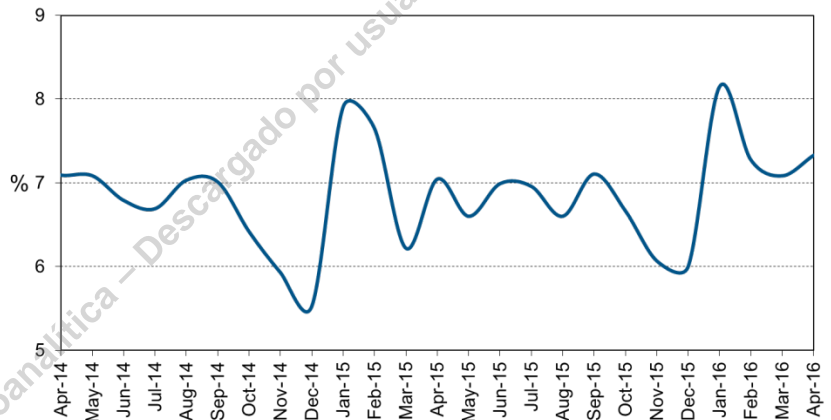
ECONOMIC INDICATORS

State Extrabudgetary Resources



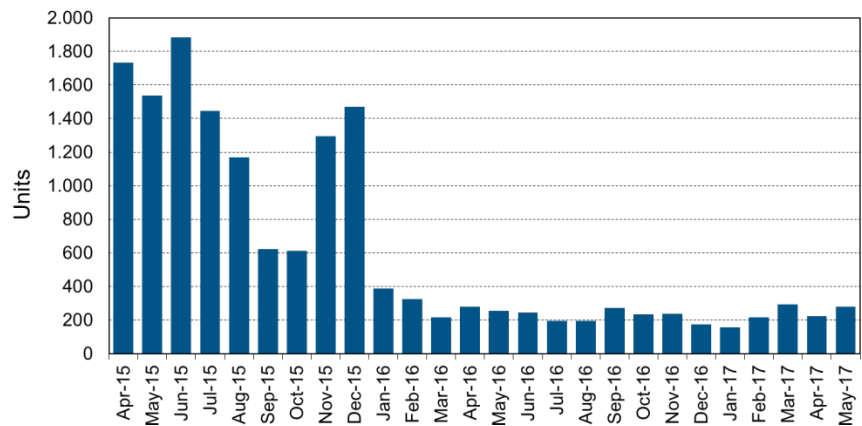
Source: Ecoanalítica

Unemployment Rate



Sources: INE and Ecoanalítica

Vehicle Sales



Sources: CAVENEZ and Ecoanalítica

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