

Dollarization in confinement

Ecoanalítica has published several studies¹ on transactional dollarization in Venezuela, a phenomenon that has expanded since the beginning of hyperinflation and has become part of Venezuela's reality. The previous surveys refer to November of last year and February of this year. This report will present the results obtained in a study conducted exclusively in the city of Caracas during the week of July 20 and with a total of 4,976 transactions in 59 establishments.

It can be seen that as long as traditional payment methods continue to deteriorate, the replacement of the bolivar by foreign currencies will continue to gain ground. It was expected that there would be an increase in the levels of dollarization during the months of confinement due to a context of multiple failures in the electrical system and in the internet connection; however, we also expected lower foreign exchange earnings due to a decrease in the flow of remittances, derived from the pandemic and its restrictions. What do the results show?

A change in consumption

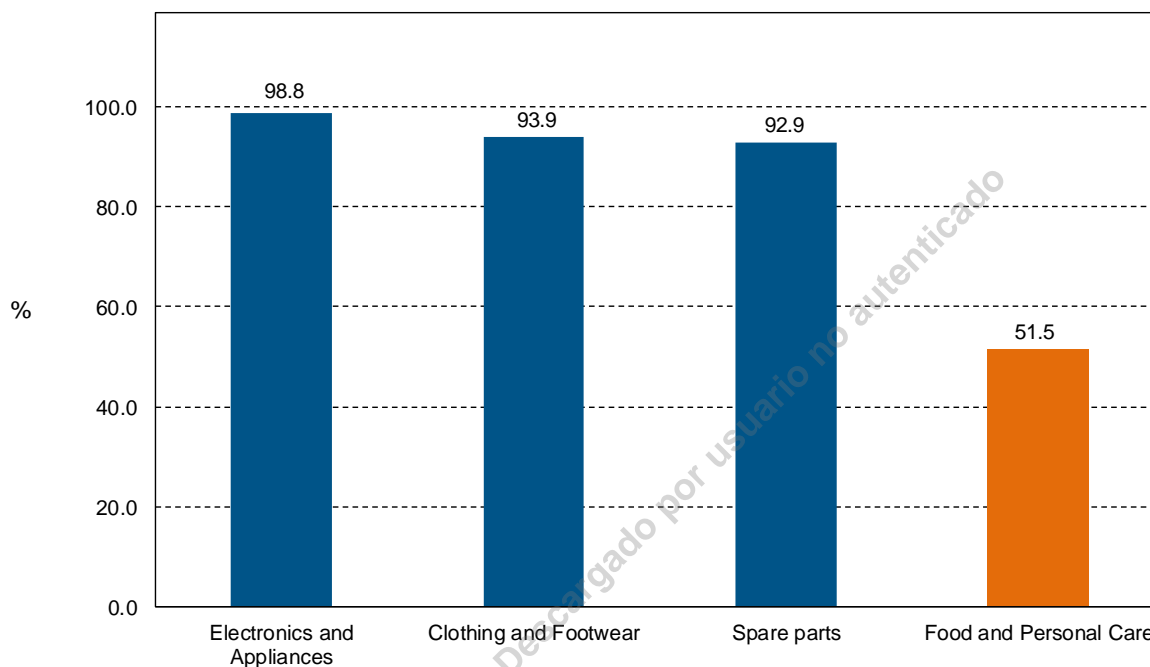
As mentioned previously, the survey covers a total of 59 establishments, of which 38 are department stores, 8 are spare parts stores, 7 are clothing and footwear stores and 6 are electronic equipment and household appliance stores. In these, 4,976 transactions were made during the week, of which the food and personal care sector absorbed the majority (80.4% with 4,003 transactions). These are followed by transactions for spare parts products (8.5% with 422 transactions), electronic equipment and household appliances (8.1% with 404 transactions), and, lastly, clothing and footwear (3.0% with 147).

The number of transactions made in foreign currencies was 2,990. This implies a 60.1% dollarization for the country's capital, showing a slight increase of 0.9 percentage points (pp) over the previous study (conducted in February). If we look at the following graph, we can see that the electronic equipment sector executed practically all its operations in foreign currency (98.8%) and the same occurred in the clothing and footwear and spare parts sectors, with 93.4% and 92.9%, respectively. On the other hand, in the food and personal care sector, 51.5% was paid in foreign currencies.

¹ Weekly Report N°39 of 2019: *General features of transactional dollarization in Venezuela* and Weekly Report N°7 of 2020: *A new study of dollarization in Venezuela*.

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Dollarization by item (%)



Source: Ecoanalítica.

Note: Information collected from July 20 to 22.

Despite the fact that only slightly more than half of the food transactions were in currencies other than the bolivar, transactions in this area represent 80.4% of the total and 68.9% of total transactions made in foreign currencies. These results are not surprising, since the COVID-19 pandemic has considerably affected people's consumption patterns and has forced them to direct their resources to basic goods, such as food and products related to health, hygiene and personal care.

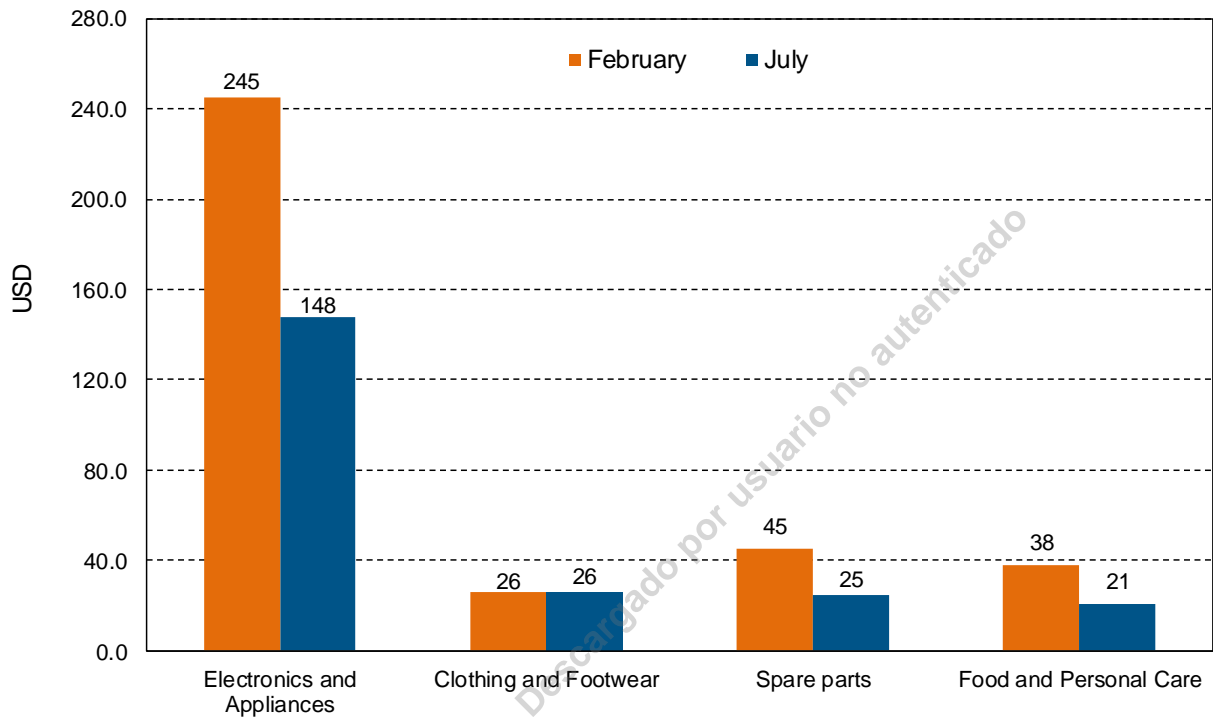
In contrast, we see that clothing and footwear transactions represent only 3.0% of the total and spare parts, and household appliances occupy 8.4% and 8.1%, respectively. This is because the people who have access to these kinds of products are usually those with the highest foreign exchange earnings. The poorest sectors of the population will tend to consume things that allow them to subsist and will neglect the consumption of other goods that can be considered luxury items.

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Average ticket (USD)



Source: Ecoanalítica.
Note: Information collected from July 20 to 22.

The above chart shows the average amount of invoices issued by item. Just as the proportion of items (except food) decreased in relation to the total transactions made, the average amount decreased as well. While in the previous study the figure for household appliances was USD 245, this time it was USD 148. The other two items showed similar decreases. The spare parts sector fell from USD 45 to USD 25 and clothing from USD 38 to USD 21). The average food bill was the only one that remained the same compared to the data collected in February.

It is precisely in times of crisis, especially one of the magnitude we are experiencing, that people tend to divert their consumption of expendable goods and services to others that must be accumulated because they will be needed in the event of an emergency (change), longer periods of confinement or greater hygienic protection against the virus.

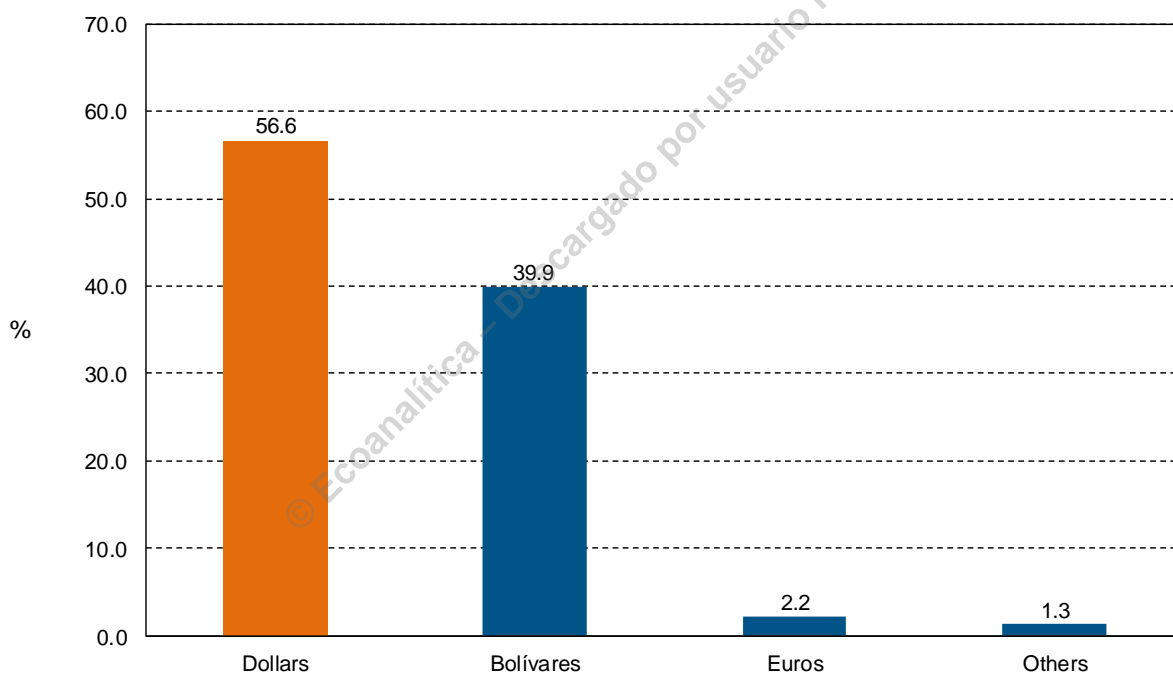
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The dollar in first place

Among the results of the survey, it is noted that the dollar has been the predominant foreign currency in transactions that week of July, representing 56.6% of the total. This is followed by the bolivar, which takes 39.9% of all payments; then comes the euro with 2.2% and other currencies with 1.3%. In terms of the payment systems used, the point of sales represented the largest percentage, with 47.1%. This was followed by cash with 31.1%, followed by Zelle and other direct foreign exchange payment platforms (18.4%) and finally the use of mobile payments and transfers which represented 2.4% and 0.9% respectively.

Payment by currency type (%)



Source: Ecoanalítica.

Note: Information collected from July 20 to 22.

As for foreign currency payment systems, the majority (51.3%) were executed in cash, although their use contracted 29.7 pp with respect to the previous survey. It should be remembered that in order to avoid the spread of COVID-19, it was recommended to avoid cash handling and to increase the use of mechanisms that did not require interpersonal contact. There was also an increase in the use of Zelle and other platforms of this style

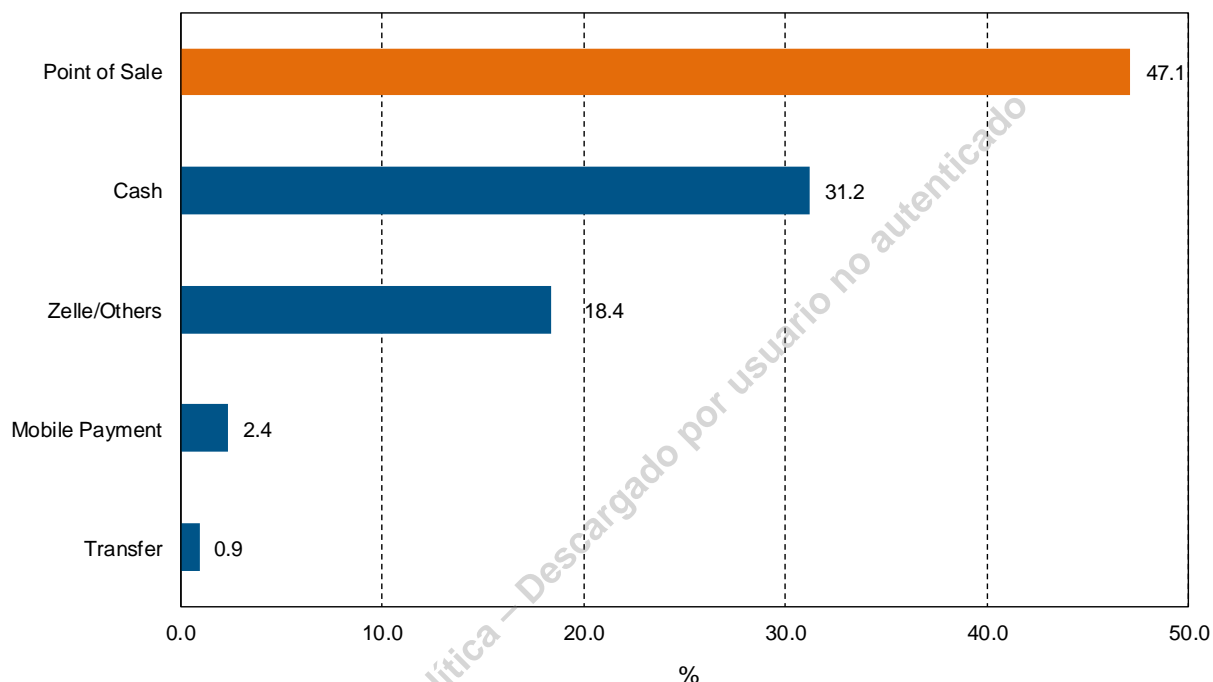
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from 12.0 pp (from 18.6% in February to 30.6% in July), while the use of international cards was 18.0% and payment by transfers was only 0.1%.

Totalized payment system (%)



Source: Ecoanalítica.
 Note: Information collected from July 20 to 22.

To keep in mind...

The above results do not show a marked deepening of the dollarization compared to February; however, they do show that Venezuelans have had to adjust their consumption pattern to the circumstances. In the country's capital, more than half (60.1%) of the transactions took place in foreign currency. Until measures are implemented to restore confidence in the bolivar as a means of payment, there is no expectation that there would be a decline in transactional dollarization; therefore, it is important that Venezuelan companies take into consideration some particular points:

- The use of cash in bolivars practically disappeared. At present, the most used payment method is the point of sale; although, in an environment of restricted activities due to the containment of the virus, it is recommended that companies adjust to other platforms such as mobile payment.

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- In this sense, it will be vital to optimize processes to adapt and prevent these mechanisms from failing, that is, to guarantee a payment method that the customer can use.
- We must remember that, in theory, since February the collection of taxes on transactions made in foreign currencies was established². Although it seems that the pandemic crisis has delayed the application of this regulation, we must be alert to any announcement that may have direct implications.
- Despite the fact that the Executive has allowed trading in foreign currency, there is still no official mechanism for acquiring it to meet the demand that exists.
- We should also remember that the use of Zelle and other platforms of the same kind can be counterproductive because of the risk of exposure to international sanctions.
- Finally, a large part of the population still has no access to foreign currency, so it is not in the best interest of companies to adopt a dollar-based scheme; it would be better off adapting to the multi-currency environment.

Corina Fung

² Weekly Report N° 5 of 2020: Tax reform amid dollarization.

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WEEKLY INDICATORS

Weekly Economic Indicators			
	5th Week July	Weekly chg. (%)	Depre/Apre (pp) ¹
FX Boards (VES/USD) ²	245,056.04	7.1	6.6
	3rd Week July	Weekly chg. (pp)	Annual chg. (pp)
Lending Interest Rate (%)	38.9	-0.3	9.1
	4th Week July	Weekly chg. (pp)	Annual chg. (pp)
Overnight Interest Rate (%)	366.8	53.4	238.5
	4th Week July	Weekly chg. (%)	Annual chg. (%)
International Reserves (USD Bn)	6.4	0.0	-20.2
	3rd Week July	Weekly chg. (%)	Annual chg. (%)
Monetary Liquidity (MM VES)	146,653,320	0.8	1,443.8
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.

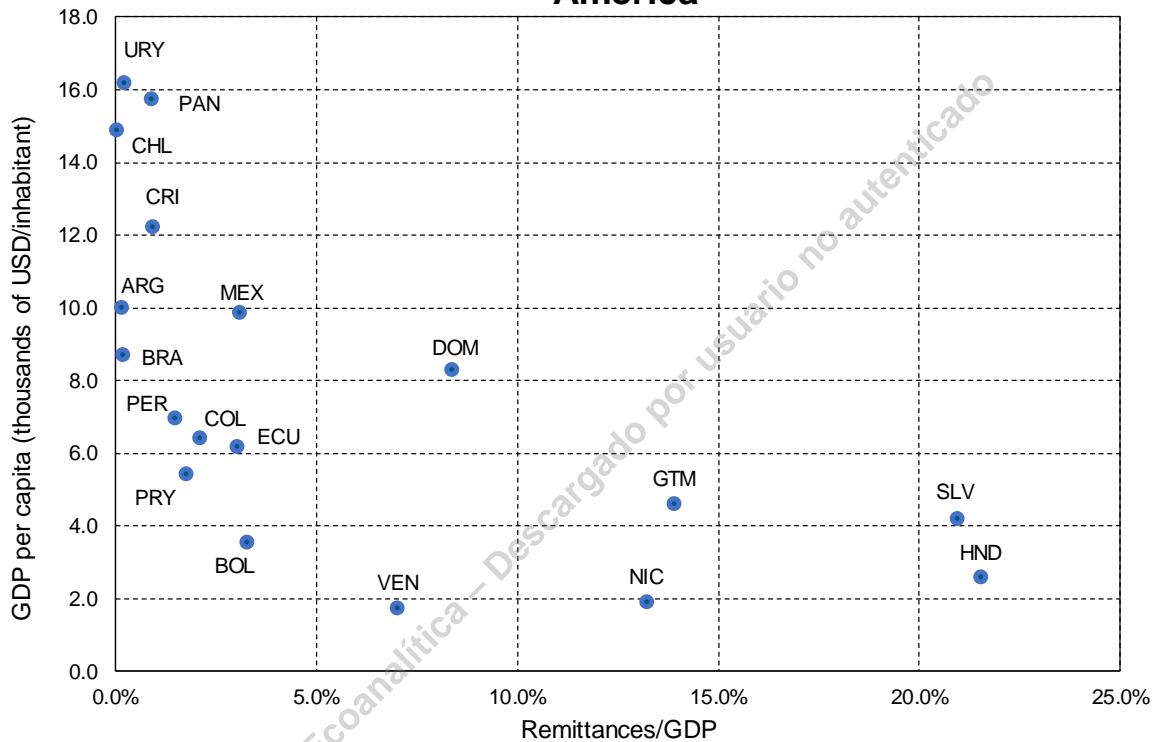
¹ Depreciation (+)/Appreciation (-)² FX Borads' average exchange rate

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CHART OF THE WEEK: "REMITTANCES TO THE RESCUE?"

Remittance flows and per capita income in Latin America



Sources: World Bank, CEPAL and Ecoanalítica.

For some countries, remittances have gained importance in recent years. In 2019, the flow from such operations surpassed foreign investment as a source of financing for some emerging countries, especially for Latin American nations. In this sense, since they function as alternative income for some of the smaller or less developed economies in the region, this type of transaction has become more than relevant in periods where such countries have been unable to generate the necessary resources to ensure the well-being of the larger part of their population.

Since remittances essentially come from migratory flows, they tend to be more important in markets with economic and institutional instability that drive the emigration of their inhabitants, who seek greater opportunities to prosper in other regions and thus help their families. Therefore, it is possible to think that there is a direct relationship between aspects, such as poverty, in the countries of origin of these emigrants and the flow of

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remittances that they receive, with such poverty being a symbol (of many) of the precarious living conditions in such economies.

If we examine part of the socio-economic conditions of remittance recipients within Latin America, we see that in some of the countries where these inflows contributed in greater proportion to local activity (with respect to the rest), their per capita production was lower, that is, their inhabitants received on average a lower income (than other markets) from what was generated by local economic activity. This not only reveals the nature of remittances as a means of temporarily alleviating the fall in income in the poorest countries (since they still maintain low incomes in the midst of higher remittances) but also tells us how, in times of global recession, disruptions in remittance flows constitute an additional source of vulnerability for the countries of the region.

In the current context of the COVID-19 pandemic, the economic closure of countries has meant more operational difficulties in sending money from one nation to another, as well as higher levels of unemployment among migrants who are the first to lose their jobs. Not surprisingly, entities such as the World Bank have predicted that income from remittances will be reduced by 20% globally by the end of this year.

For the region, this is more bad news, considering the effects that the pandemic has already generated on its commercial activity. Central America is perhaps the most vulnerable area, not only because that is where the countries with the most precarious living conditions in the region (in terms of income) are located, but also because they are the ones most exposed to the strong irregularities that remittances will experience in the coming months. Even though many Central American migrants have recently been subject to deportations and expulsions from the United States, many others have not stopped sending considerable resources to their families for fear, precisely, of being deported in the future. Despite the fact that, in the case of El Salvador and Mexico, the growth of remittances decreased in 2019, for countries such as Guatemala, Honduras, and Nicaragua the growth was higher in 2019 than in 2018.

The economic and institutional crisis of recent years has led Venezuela to depend on remittances at levels similar to those shown by Central Americans, which has also coincided with a sharp decline in its traditional income as a result of the collapse of oil activity. In fact, Venezuela increased the volume of remittances in greater proportions (of local production) than any other country in the region, 17.8% in 2018, and 28.1% in 2019.

In this configuration, the pandemic has put at greater risk those Venezuelans who have recently benefited from such remittances due to operational constraints and the return of part of the population that had migrated and was left without access to health systems in their host countries. On the other hand, the main destinations of Venezuelan emigrants

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have been emerging countries with less economic development than the United States and greater fragility in the face of the pandemic. In addition to the strong imbalances that the local economy has already accumulated since before and during the pandemic, it can be foreseen that the COVID-19 will leave profound consequences and the fall of remittances will increase poverty and inequality in the country, accentuating, moreover, our dependence on non-traditional income flows that do not manage to completely stop the decline in the quality of life of the poorest Venezuelans. We are therefore heading for the right-bottom region of the graph above.

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ECONOMIC TIPS

COVID-19 in Venezuela. According to official figures, the number of positive cases of coronavirus reached 17,158 on July 30 and the number of deaths was 156 by the same date.

Syncopated flexibility. Nicolás Maduro reported last Sunday a new scheme of flexibility, that will consist of three phases for the whole country.

Phase one. Caracas, Miranda, Zulia, Sucre, Bolívar, Vargas, Táchira, and municipalities bordering Colombia are the states included in the first level or first phase of radical quarantine, where only essential sectors such as health, food, telecommunications, and press are allowed to operate.

Phase two. Anzoátegui, Aragua, Falcón, Lara, Nueva Esparta, Yaracuy, Carabobo, Monagas, and Mérida are the states that are in the second level of radical quarantine or partial flexibilization, since they will allow economic activity in staggered time bands of the ten sectors considered in the first phases of flexibilization.

Phase three. Portuguesa, Guárico, Barinas, Amazonas, Delta Amacuro, Trujillo, Cojedes and Apure make up phase three, where all sectors, considered throughout the flexibilization, are allowed to operate in staggered time bands and with the necessary social distancing measures.

And the banks? The banking agencies will be operating in the states that are in phases 2 and 3 of the flexibilization scheme announced by Maduro, in staggered time bands and following the respective measures of social distancing.

Misaligned. The Commission for Human Rights of the state of Zulia reported that there is a difference of 38% between the prices of certain products in the basic basket set by the Government and the selling prices of the same in the city of Maracaibo.

Basic basket (I). The Workers' Documentation and Analysis Center (Cenda) revealed that the Basic Food Basket increased by 9.93% from May to June and expanded 401.63% in the first half of 2020. If converted to the official BCV rate, it means that 6.6% more US dollars were required to buy the same basket.

Basic basket (II). In order to be able to buy the monthly basic basket in June, 103 minimum salaries, or more than 4 minimum daily salaries, were required.

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Pronounced contraction. The Permanent Commission of Finance reported that the Venezuelan economy has contracted 86% and that economic activity fell 25.4% in the first quarter of 2020, which includes only a part of the quarantine measures that began on March 16th.

They appealed (I). The legal team of the Central Bank of Venezuela announced that it won the right to appeal the decision issued by the High Court of London, which recognized Juan Guaidó as the legitimate leader of Venezuela.

They appealed (II). The aforementioned sentence grants the ad-hoc board of directors of the BCV presided over by Ricardo Villasmil, the power over the 31 tons of gold held in the Bank of England. According to the legal firm that represents the official BCV, it is not common for this type of appeal to be accepted and they have not yet set a date to present it.

Bonds and more bonds. Between July 24th and 31st, the "Bono Padre Bolívar" was issued through the Patria system for the amount of VES 1,000,000. The delivery of the bond will be done gradually and directly.

Money tables. For the week of July 30, the average rate for money tables was VES 245,056.0/USD. This represents a 6,6% depreciation from last week.

Liquids? Liquidity was VES 146,653,320 million for the week of July 17, a variation of 0.8% in nominal terms compared to the previous week (July 10) and 1,443.8% compared to last year.

OIL TIPS

Standing up again (I). The El Palito refinery in the state of Carabobo reactivated the refining of crude oil, which reached 20,000 barrels of gasoline per day, according to sources at Argus Media. This plant has a maximum refining capacity of 140,000 barrels per day.

Standing up again (II). However, activity had to be stopped after the catalytic cracking and distillation towers broke down when trying to increase production.

With the lid open (I). Carlos Vecchio indicated that they had "*confirmed that, from January to June 2020, 33 ships have left Venezuela for Cuba, in which 13 million barrels of oil were sent*".

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With the lid open (II). This represents USD 348 million in unpaid oil product exports, according to Vecchio.

Recovery in consumption (I). In its monthly report, the Organization of the Petroleum Exporting Countries (OPEC) predicts that oil demand will recover from what happened during the pandemic after the May oil futures contracts were traded at negative prices.

Recovery in consumption (II). In this regard, OPEC estimates that the demand for crude oil by 2021 will increase by 25% over that of 2020 and will stand at 97.7 million barrels of oil per day, while it is estimated that by 2020 the demand for crude oil will average 90.72 million barrels per day.

Some information. PDV Holdings Inc., hand in hand with the ad-hoc board of directors appointed by Juan Guaidó, issued its first annual performance report. The report states that the company successfully refinanced 70% of its debt.

Credit and refining. The report also details improvements in Citgo's credit ratings and an increase in the company's refining capacity by 20,000 barrels per day.

Asset defense. The report also indicates that actions were taken to protect assets and adds that "changes were made to the equity control clauses of all debt instruments that significantly reduced the financial vulnerability of Citgo entities".

Irresponsible losses (I). Finally, it explains the contraction of the company's income and denounces that the irresponsible actions of the Nicolás Maduro regime produced losses of approximately USD 90 million.

Irresponsible losses (II). These losses were mainly caused by the illegal seizure of crude oil on board of the tanker Gerd Knutsen worth USD 60 million and by bad debts of approximately USD 30 million in insurance coverage placed through PDVIC, an insurance company controlled by PDVSA in Venezuela, and which is in the process of being liquidated.

Anticipated losses. The Mexican state oil company Pemex reported a net loss of over USD 1.9 billion in the second quarter, caused by a fall in the price of the Mexican mixture and lower sales due to coronavirus. Pemex said the average price of the export mix was \$23.8/b, 60.1% less than observed in the same period last year.

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Attacks on Ecopetrol (I). Colombia's state oil company Ecopetrol reported that illegal groups entered its headquarters on July 24 and activated explosive charges on the Cosecha C oil platform in a department bordering Venezuela, causing a fire there.

Attacks on Ecopetrol (II). Ecopetrol clarified that, at the site of the attack, the company Summum Energy operates for Ecopetrol and Occidental de Colombia with an approximate production of 3,000 bpd. Up to now, the magnitude of the damages caused by the explosion and the culprits of the attack are not known.

SECTOR TIPS

Insufficient production. Fedeaagro's president, Aquiles Hopkins, warned that agricultural production will be able to satisfy only between 15% and 12% of national demand, which means that national food production is at levels of the 60s and 70s.

Production of the past. Hopkins declared that "2020 is probably the most catastrophic year for the country's agri-food sector in the last 50 years". The big difference is that in the 1960s and 1970s the Venezuelan population was no more than 8 million; however, today the population is 30 million, so food production will only be able to satisfy 15 to 20%.

Historically low. According to a note published by HispanoPost, the national electricity system (SEN) reached its lowest historical level in 50 years, due to the prolonged lack of maintenance and investment, which caused a sharp contraction in electricity supply and leaves it at 9000 megawatts

A consequence of the economic model. In this same report, sources in the electricity sector reported that electricity consumption has dropped dramatically during Chavism as a result of the collapse of the private and public sectors.

It's not enough. Sources in the electricity sector assure that the 9000 megawatts are not enough to cover the needs of the population; therefore, the national electricity corporation applies rationing in the interior of the country in order to maintain its stability.

Amplified collapse. In quarantine, the collapse of the electric system has deepened and the government, in an attempt to shield the capital from this electricity crisis, has implemented strong energy rationing in the west of the country. In the months of March and April, at least 19090 service interruptions were recorded throughout the country.

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Back in the air. Avior's CEO, Juan Bracamonte, proposed to restart operations in the aviation sector on September 1st since other air terminals, such as El Dorado in Bogota, are scheduled to start on the same day. Before reactivating flights, the aviation sector needs the authorization of Nicolás Maduro and the National Institute of Civil Aeronautics.

Mutation. In a report carried out by AFP, it was observed that, due to the regulations imposed as a result of the quarantine, several businesses in Venezuela have had to mutate in order to survive the economic impact of the pandemic; in order to remain open, the businesses have turned to sell food, health and personal hygiene.

Necessary flexibility. The president of Consecomercio, Felipe Capozzolo, asked the government of Nicolás Maduro to reopen the economy respecting the regulations to prevent the coronavirus. July has been a disastrous month for the companies because they have produced many losses.

Bad conditions. Capozzolo declared that "before the start of the pandemic, 30% of businesses were already threatened by the economic crisis. It is not possible to meet the costs, expenses, and payroll at once in the midst of this situation. The month of July has been disastrous for businesses because since it began it has only produced losses".

Hot spots. In sectors controlled by the Nicolás Maduro government, major outbreaks of coronavirus have been seen. NP warned that the situation of workers infected in VTV is becoming increasingly serious; and an outbreak of COVID-19 was detected at the CLAP box packing plant in Vargas.

Killed because of gasoline. Four GNBs and two civilians were arrested for the murder of a man demanding gasoline in Anzoátegui. The governor of Anzoátegui demanded justice.

A Retiree in custody. They denounced aggressions and arrests during the protests of pensioners in Caracas. The Maduro government arrested Juan Ovalles, president of the Caracas Metro Retirees' Union.

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 17,029,155 the 30 of July and the number of deaths by the same date was 667,011.

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Wait until 2021. The WHO reported that although researchers have made "good progress" in creating a vaccine against COVID-19 and there are several clinical trials in the final stages that are promising, the first immunizations are not expected until early 2021.

An unprecedented crisis requires unprecedented measures (I). A United Nations Development Programme (UNDP) report recommends the implementation of a temporary basic income for the world's 2.7 billion poorest people in 132 developing countries, to help slow the spread of the coronavirus by allowing beneficiaries to stay at home.

An unprecedented crisis requires unprecedented measures (II). The agency's report suggests three tracks: supplementary amounts to current average incomes, lump-sum transfers linked to differences in average living standards in a country, or uniform lump-sum transfers regardless of where someone lives in a country.

An unprecedented crisis requires unprecedented measures (III). The UNDP report suggests that countries could pay this temporary basic income by using the billions of dollars that would have been spent to pay off their debt, considering that in April the G-20 agreed to suspend debt service payments for the world's poorest countries until the end of the year.

A confrontation of giants (I). The Government of China occupied the facilities of the American consulate in the city of Chengdu, after having ordered its eviction in retaliation for the closure of the Chinese consulate in the American city of Houston.

A confrontation of giants (II). The takeover of the consulate is the latest act in a dramatic escalation of tensions between the world's two largest economies, which began when employees of the Chinese consulate in Houston were seen burning documents in the backyard of their headquarters, hours before the Chinese government announced that they had been ordered to leave the building.

No agreement in 2020. Michel Barnier, the EU's chief negotiator for Brexit, said that the UK had shown no willingness to break the deadlock in the negotiations, mainly with regard to a level playing field in trade and the fishing industry, making it unlikely that a new trade agreement would be reached.

After three months, the flights return (partially). The Russian Government announced that it plans to resume some international flights from 1 August; however, the list of destinations will initially be limited to Tanzania, Turkey, and the United Kingdom. International flights were suspended in Russia on 30 March after the imposition of quarantine to contain the spread of the coronavirus.

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Bad times in Latin America (I). Luis Alberto Moreno, president of the Inter-American Development Bank (IDB), said he projects that the Latin American economy will contract between 8.0% and 10.0% in 2020, while unemployment and debt levels in the region soar.

Bad times in Latin America (II). This year, the IDB plans to approve approximately \$20 billion, of which about \$15 billion will be loans to governments, mainly to strengthen health systems to address the coronavirus.

More than a million jobs are lost in six months. Figures from Brazil's Ministry of Economy showed that the Brazilian economy lost about 11,000 formal jobs in June, the smallest monthly decline since the start of the COVID-19 pandemic earlier this year, after a loss of 350,000 formal jobs in May. In total, 1.2 million jobs were lost in the first six months of the year.

POLITICAL TIPS

USD 5 million for the judge (I). Mike Pompeo, U.S. Secretary of State, announced a USD 5 million reward for information leading to the arrest and prosecution of Maikel Moreno, Chief Justice of the Supreme Court (TSJ).

USD 5 million for the judge (II). Pompeo stated that "Maikel Moreno received bribes in exchange for legal actions, such as ordering higher court judges to release specific defendants or dismiss particular cases, something that occurred in more than 20 court proceedings".

The Moron's sanctioned. The U.S. Treasury Department's Office of Foreign Assets Control sanctioned the Morón Hernández brothers for their connection with Nicolás Maduro's son, Nicolás Maduro Guerra, and for acts of corruption.

Linked to gold. The Morón brothers are close partners of Maduro's son and are also important figures in the Venezuelan gold industry. The U.S. Government froze all assets and ownership interests held by these individuals in the United States for distributing assets to Maduro and his family.

Two more on the "list." Mike Pompeo stated that the United States sanctioned former ministers Luis Alfredo Motta Dominguez and Eustaquio Jose Lugo Gomez for abusing

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their positions of power to enrich themselves at the expense of Venezuelan citizens. Lugo and Motta were deemed ineligible to enter the United States.

Authoritarian! Felipe Solá, Argentina's foreign minister, declared that in Venezuela, Nicolás Maduro is leading an "authoritarian" government and that his relationship with the opposition is "quasi-warlike". Previously, Alberto Fernández, president of Argentina, had expressed his concern about the respect for human rights in Venezuela.

More dialogue? A delegation from the Government of the Kingdom of Norway arrived in Venezuela on July 24, as reported by the Government of Juan Guaidó. Although the Norwegian representatives did not show an agenda, they came to learn about the political and humanitarian situation in the country.

They don't want any more dialogue. The Government of Guaidó maintains its firm position and emphasizes that there is no process of dialogue possible after what happened with the dialogue in 2019. The reason for the visit of the international Contact Group is the expulsion of the ambassador, Isabel Brilhante.

Important steps. Juan Guaidó ratified the San Salvador Protocol before the Inter-American Commission on Human Rights of the Organization of American States, an instrument signed by 17 countries including Argentina, Brazil, Bolivia, Uruguay, and now Venezuela.

Necessary rights. This protocol enshrines the economic, social, and cultural rights of citizens in a comprehensive manner. Guaidó stressed that with this step his Government is committed to the defense of human rights.

Urgent request. Luis Almagro, OAS Secretary General, stressed that "if there is a country that urgently needs the implementation of this protocol, it is Venezuela, where a dictatorship has led to the permanent violation of these rights, there are more than 5 million Venezuelans scattered throughout the continent.

Essential medical help. Juan Guaidó announced that USD 20 million will be transferred to purchase protective equipment for health professionals in Venezuela to respond to the crisis generated by the coronavirus. The resources will go to the Pan American Health Organization (PAHO), the Red Cross, and the Heroes of Health Program.

Changing teams. The company Smartmatic declared that it will not provide any equipment for the December 2020 parliamentary elections to the National Electoral Council (NEC) because in 2017 the company denounced the use of its machines to manipulate the National Constituent Assembly elections.

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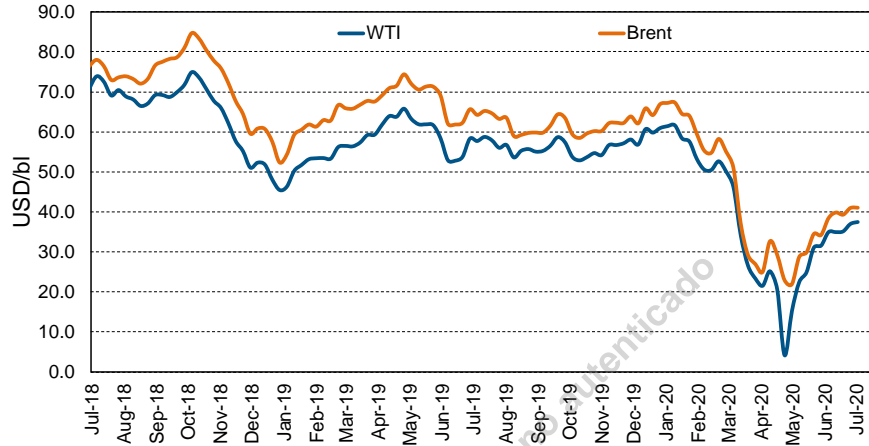
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Extension. The president of the National Electoral Council (NEC), Indira Alfonzo, announced that voter the registration window was extended until the 29th of July due to the radical quarantine measures in the areas of the country most affected by the coronavirus.

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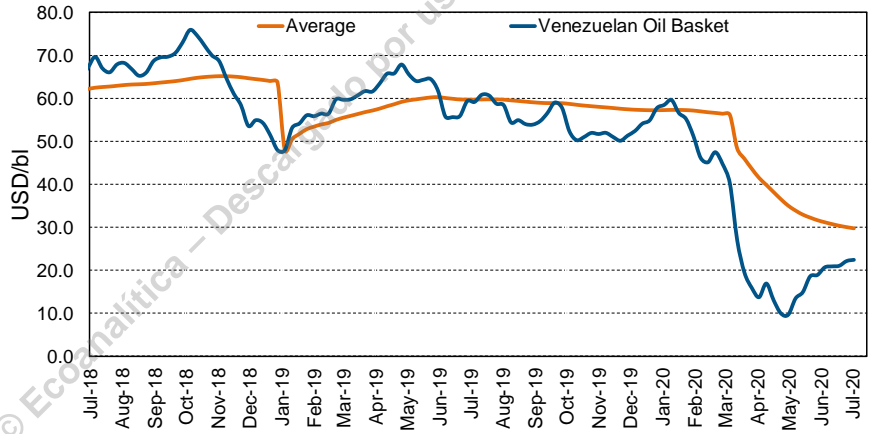
ECONOMIC INDICATORS

**Oil Prices
(WTI and Brent)**



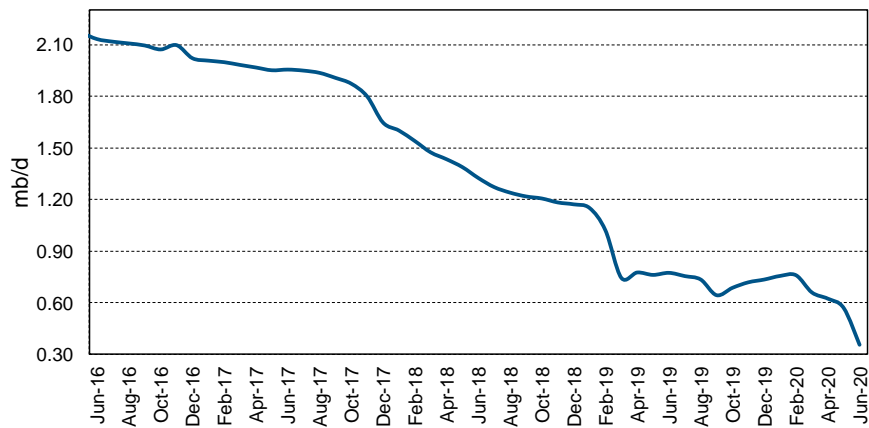
Sources: Menpet and Ecoanalítica

**Oil Price
(Venezuelan Basket)**



Sources: Menpet and Ecoanalítica

**Oil Production
(Secondary sources)**

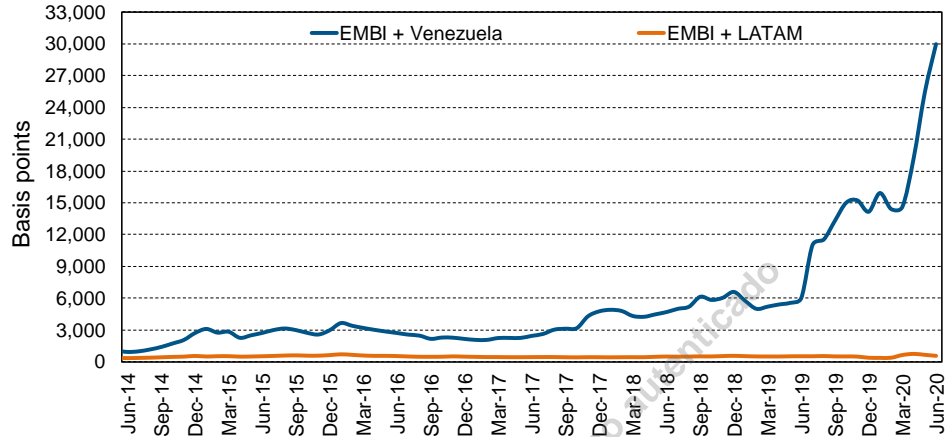


Sources: OPEC and Ecoanalítica

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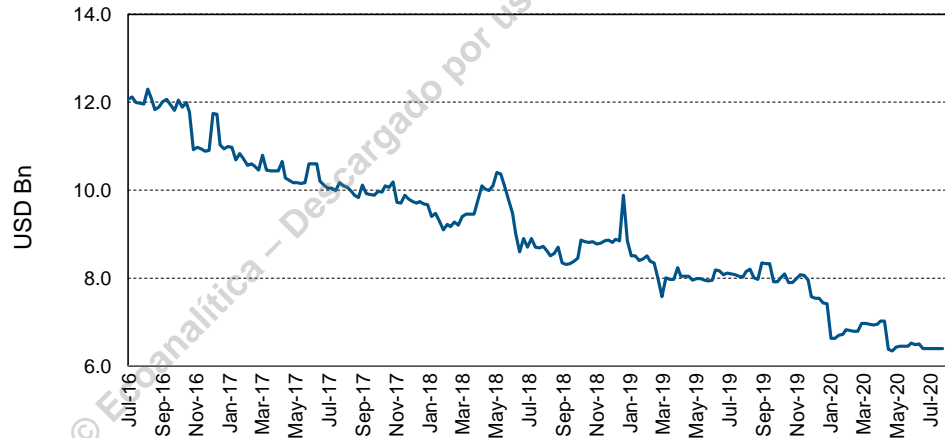
ECONOMIC INDICATORS

EMBI



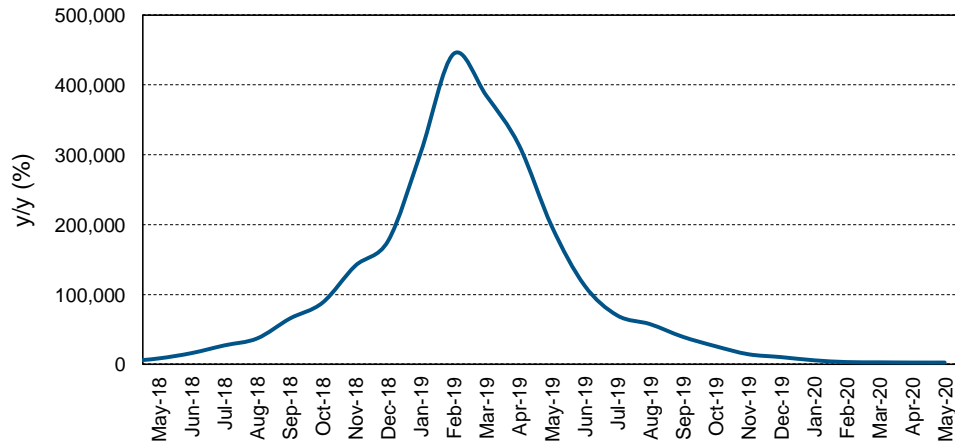
Sources: BCRP and Ecoanalítica

FX Reserves (BCV)



Sources: BCV and Ecoanalítica

Inflation (BCV)



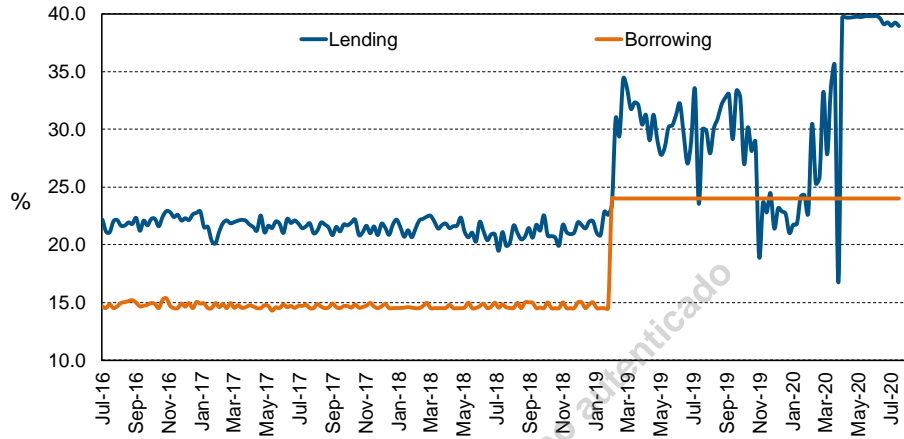
Sources: BCV and Ecoanalítica

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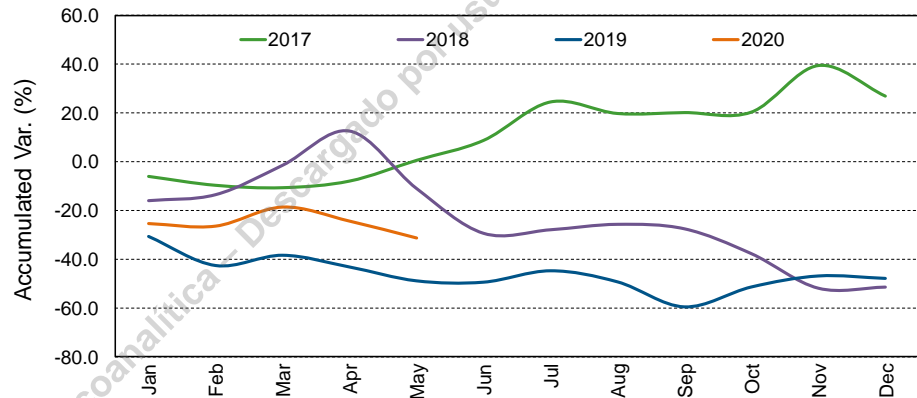
ECONOMIC INDICATORS

**Interest Rate
(Six major banks)**



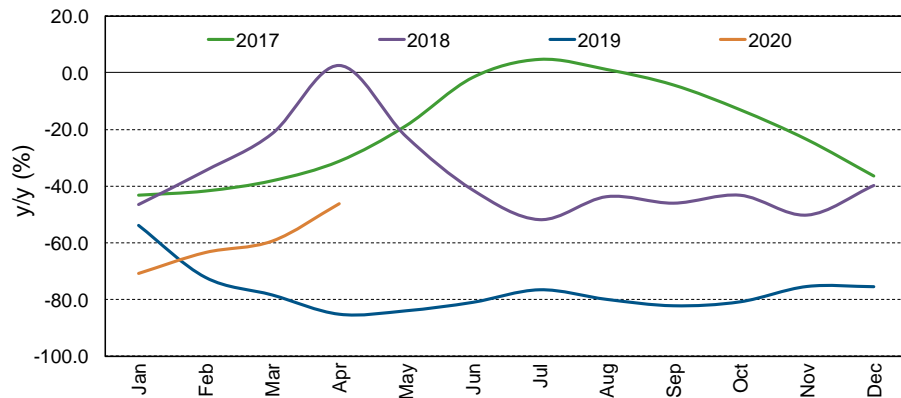
Sources: BCV and Ecoanalítica

**M2 Expansion
(Real)**



Sources: BCV and Ecoanalítica

**Loan Portfolio
(Real)**



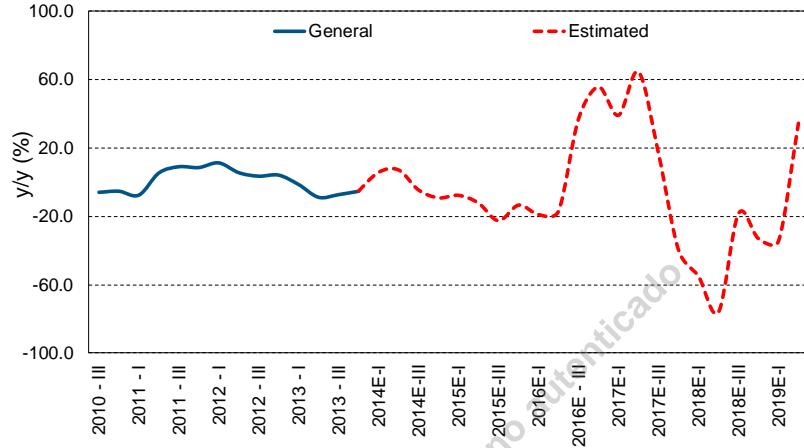
Sources: SUDEBAN and Ecoanalítica

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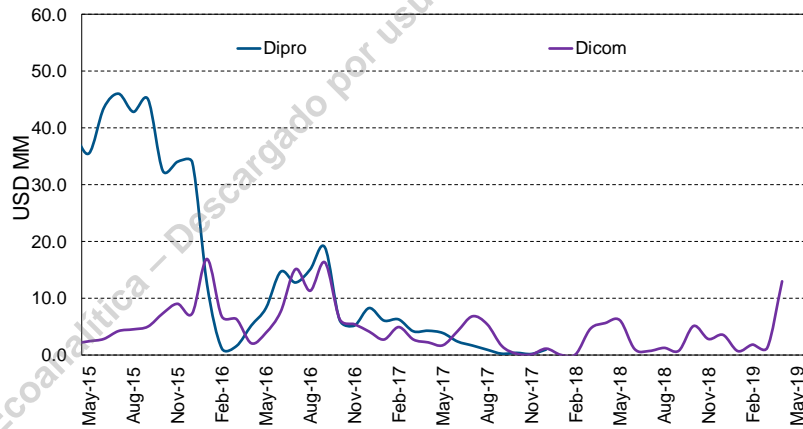
ECONOMIC INDICATORS

Real Wage Index



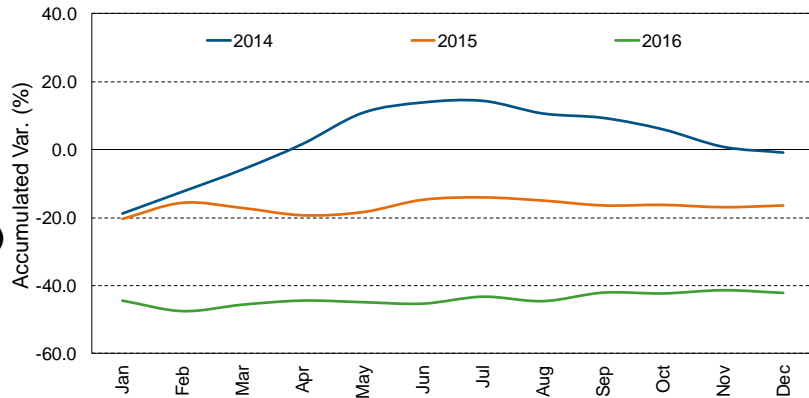
Sources: BCV and Ecoanalítica

Disbursements to the Private Sector (Daily Average)



Source: Ecoanalítica

Primary Spending NTO (Real - Central Government)



Sources: ONT and Ecoanalítica

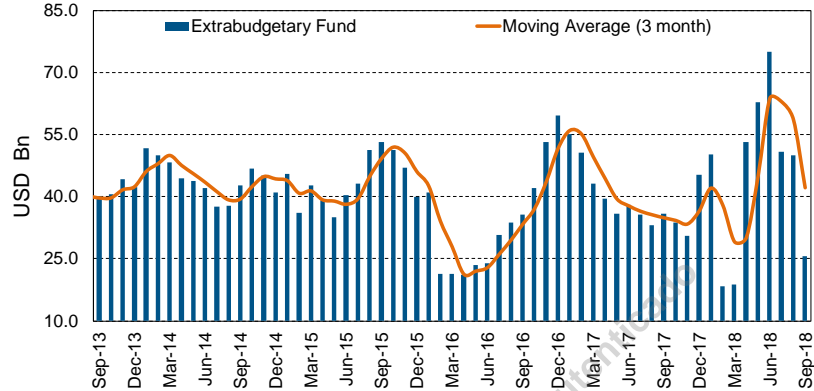
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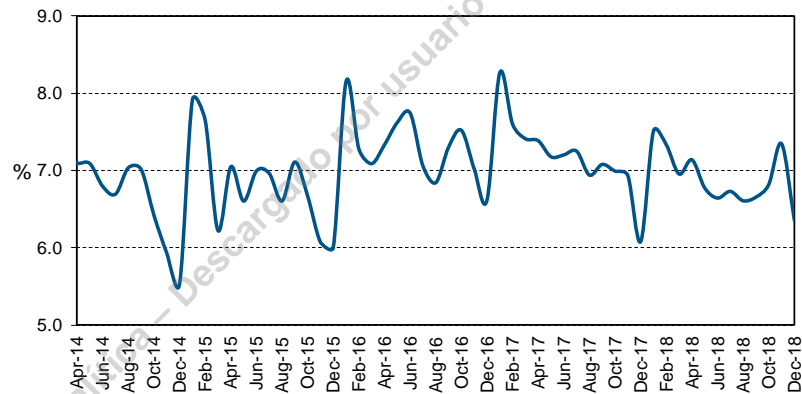
ECONOMIC INDICATORS

State Extrabudgetary Resources



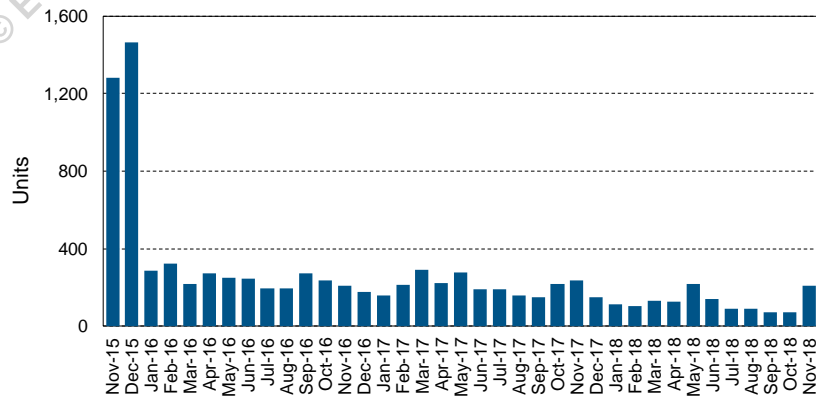
Source: Ecoanalítica

Unemployment Rate



Sources: INE and Ecoanalítica

Vehicle Sales



Sources: CAVENEZ and Ecoanalítica

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