

Out of service: The reality of the basic services in Venezuela

One matter of interest for modern societies has been to raise the well-being and development of their members. From the point of view of the Indian economist Amartya Sen (2000)¹, man's development seeks to increase people's freedom. Therefore, this development consists of eliminating controls that limit freedom, such as poverty, tyranny, shortage of economic opportunities, and shortage of goods and public services.

In the same vein, according to the United Nations, access to public services is a fundamental aspect of any person's human rights. Based on this premise, the nongovernmental organization *Entorno, Sociedad, Desarrollo y Ambiente – ESDA* (Milieu, Society, Development and Environment) has set up the Venezuelan Public Services Observatory (OVSP) as a project, which investigates and compiles information on Venezuelans' perception of the public services they receive in their homes so as to obtain a benchmark for gauging their quality of life.

The OVSP's survey conducted in June 2019 consists of a sample of 10 cities² in different states of Venezuela and focuses on four services: access to water, electricity, telecommunications and domestic gas, and garbage collection. Our report will focus on the first three services using the last survey conducted in June as the point of reference. Its findings, unfortunately but not surprisingly, show a truly critical situation.

Water - zero

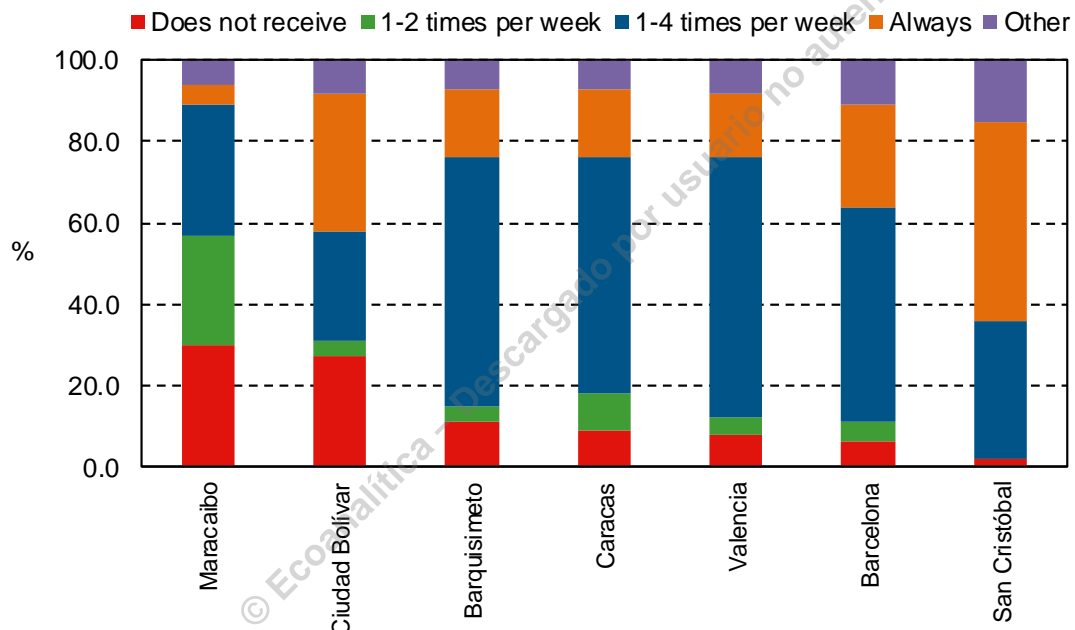
The supply of water in Venezuela has been a problem for the past three years, with people resorting to obtaining their supply from water trucks or living precariously with an average supply of 48 hours a week if they cannot afford to pay for truck delivery. Today, the situation continues to be critical. Even though 94% of the survey sample generally has access to piped water, the majority (67.9%) said the quality of the service was not good and 24.8% described it as really bad.

1 Sen, A. (2000). *Desarrollo y libertad*. Editorial Planeta, Buenos Aires.

² The cities included in the survey are: Caracas, Maracaibo, Valencia, Barquisimeto, Barcelona, Punto Fijo, San Cristóbal, Mérida, Porlamar, and Ciudad Bolívar.

Moreover, only 23% of those interviewed received a constant supply of water. The supply to the rest was intermittent, and 12% never received water. By way of comparison, in 2018 30% of the population received a constant supply of water. If we take a look at the current figures broken down by city, we find that those who receive a constant supply of water are in the minority. The majority are in the middle group for whom the service is rationed to once, twice or three times a week. Maracaibo is the city where conditions are the worst and San Cristóbal fares the best.

Frecuency of drinking water service



Sources: OVSP and Ecoanalítica

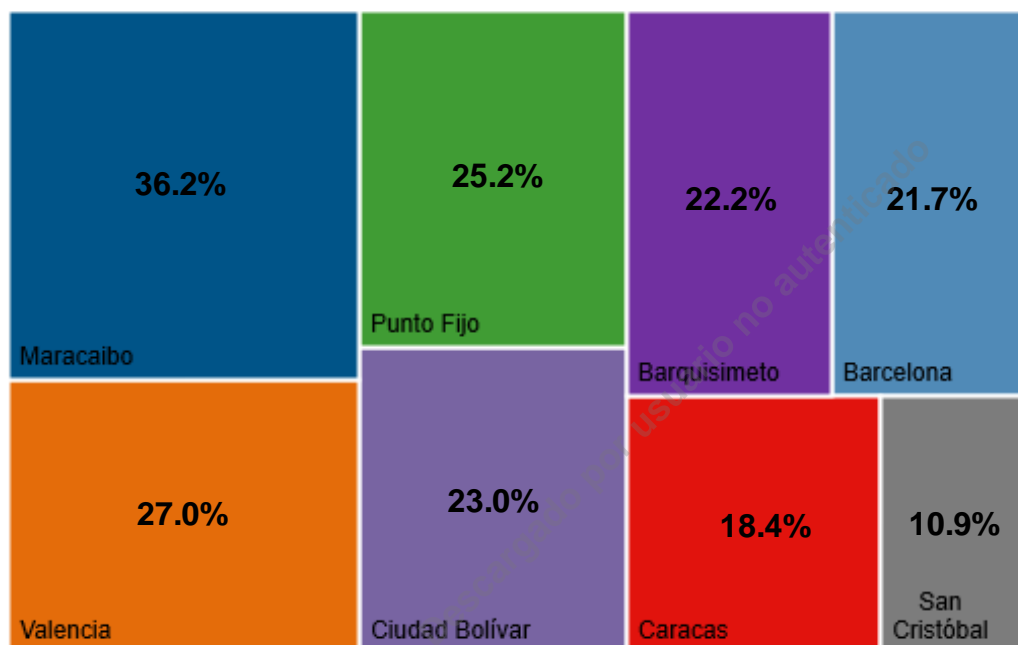
According to the World Health Organization (WHO), each person should have access to between 50 and 100 liters of potable water a day. The findings of the June 2019 survey show that 34.6% of people boil the water to make it potable. The next choice is to buy bottled water and others use a filter.

The sanitary conditions of this service are a delicate issue, since a poor quality service can lead to a variety of diseases. Jaime Lorenzo, the director of United Doctors of Venezuela, explained that drinking water that is not suitable for human consumption increases the possibility of both skin and gastrointestinal infections, adding that hospitals are already receiving cases of these illnesses caused by non-potable water³.

³Venezuela: riesgo de epidemias ante falta de agua potable. April of 2019. [CNN](#).

Year 15. Number 31 Week I
 September 2019

Population affected by illness (%) due to flaws in the water access service



Sources: OVSP and Ecoanalítica

Note: The cities in the chart are the ones presented in the OVSP's report.

The OVSP survey also reports that 22.6% of diseases identified have been caused by ingesting non-potable water. The most common is diarrhea, followed by scabies and skin diseases. Maracaibo is the city in the sample that is most affected; 36.2% of those interviewed said they had suffered from some kind of infection due to the lack of water. The fact that the city with the lowest level of water supply is the city with the highest number of sick people makes sense.

Lights out

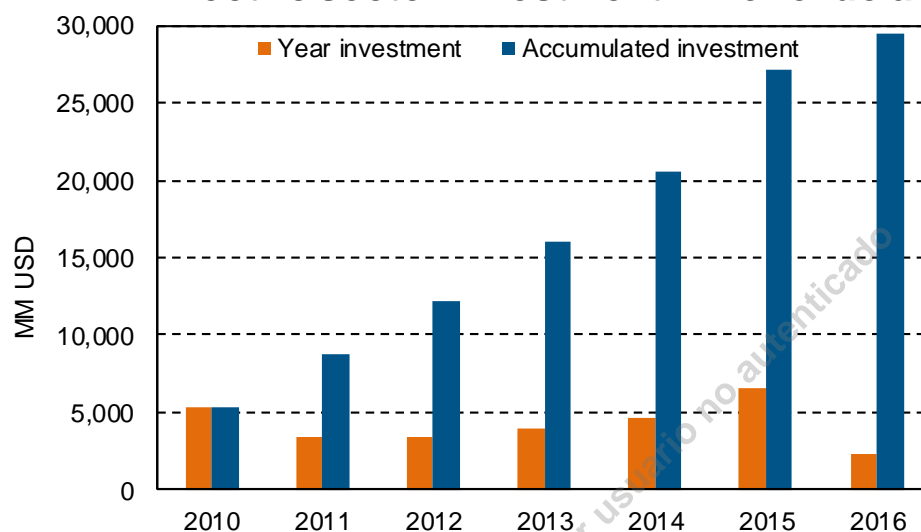
The deficiencies in the electric power sector started to make themselves felt back in 2008 when Venezuela began to have a series of blackouts in several of the states, a situation that continued over the next two years. At that time, the blame for this situation was laid at the door of the climatic phenomenon *El Niño* and the government decreed an electric power emergency and promised massive investments to solve the crisis.

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Year 15. Number 31 Week I
 September 2019

Electric sector investment in Venezuela



Sources: Corpoelec, Transparencia Venezuela and Ecoanalítica

Documents from the state-owned electricity company, *Corporación Eléctrica Nacional* (Corpoelec), which ceased to be published in 2015, show that the government started by investing USD 5.33 billion in the electricity system. It is estimated that there was a total of approximately 233 energy projects. And by 2016, it was calculated that total investment came to USD 29.5 billion⁴. Later, in March this year, the first nationwide mega power out occurred, which lasted about three days, the aftermath of which the country is still suffering from today.

According to the OVSP survey, 94.1% of people, on average, have formal access to electricity. However, 62.1% of them said that the quality of the service was poor. It would be logical to assume that, following what happened in March this year, steps would have been taken to correct this; however, that is not the case.

What has happened has been an increase in electricity rationing. Electricity is being rationed in 574 out of the country's 1,113 parishes and power outs have continued in several states⁵. The OVSP comments that 54% of the population experience several power outs a day. Valencia and San Cristóbal are two of the cities that are worst hit, with power outs every day, and 24.5% of them experience several on a daily basis. Caracas, on the other hand, is the least affected; only 8% of those interviewed said they suffered from power outs. If we take into account the fact that Maracaibo was the city hardest hit

⁴ Data compiled by the NGO *Transparencia Venezuela*.

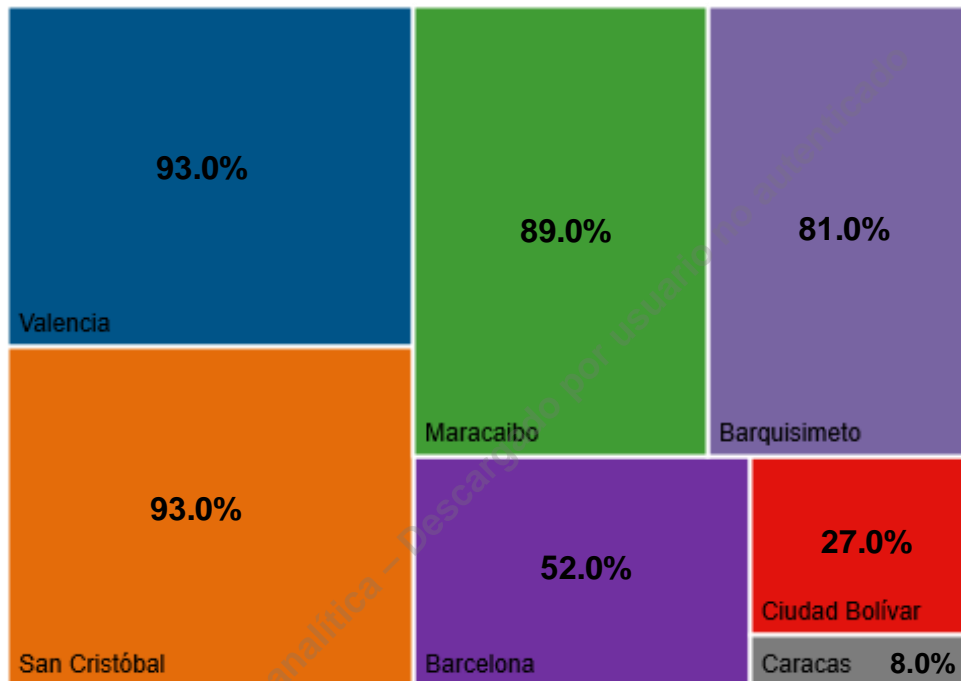
⁵ [Gaceta Oficial N° 41.614](#). April 10th of 2019.

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last year (with 83.8% of the population experiencing power outs daily), the survey's findings indicate that there are now more cities with an electric power situation as precarious as Maracaibo's.

Daily population (%) affected by energy shortcuts



Sources: OVSP y Ecoanalítica

Note: The cities in the chart are the ones presented in the OVSP's report.

The data as shown on the map indicate that more than half the population interviewed depends on sunlight during the day and candlelight at night. They live practically in the dark. The survey also found that 88% of people would be prepared to pay more for this service so that it could function more efficiently. But what were the results of the investments made before? What guarantees are there that people will receive a better electric power service if they pay more?

Error 404

As might be expected, when there are power outs there will also be problems with telecommunications. On the one hand, less than half the sample (46.6%) had access to a fixed internet service. The quality of this service was classified as so-so or poor by the majority of those interviewed (21.6%), and 17% said it was very bad.

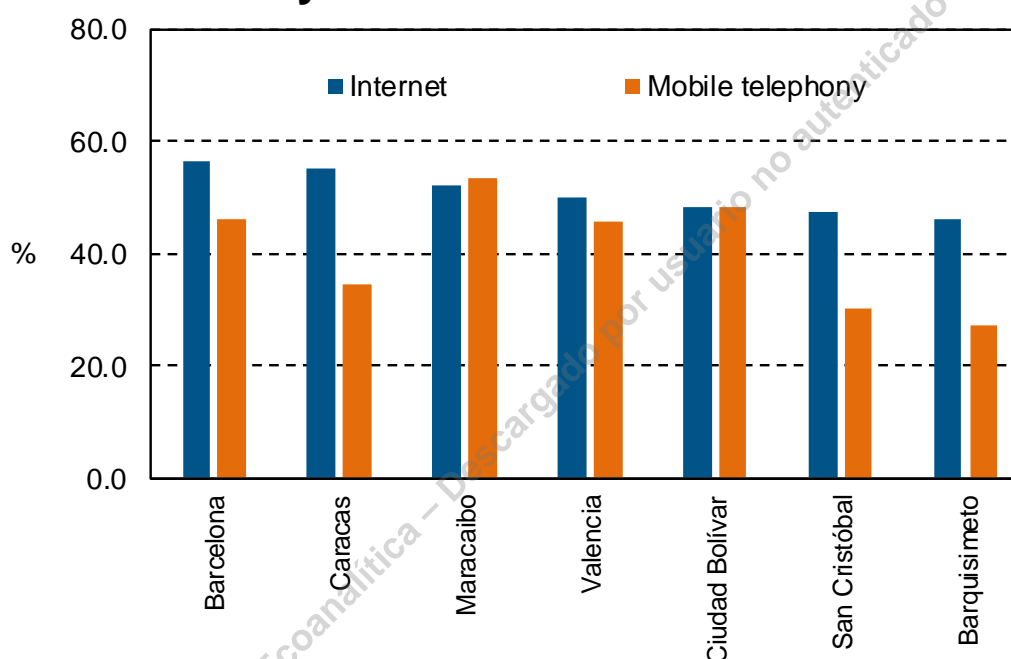
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Year 15. Number 31 Week I
 September 2019

On the other hand, more people had telephony service (63.8%) than fixed Internet service in June. The quality of this service was not optimum, however. 44% said that the mobile telephone service was of poor quality and 57% said that the quality of the mobile Internet service was bad. Maracaibo seemed to be the city most affected in both categories.

Daily flaws in telecommunications



Sources: OVSP and Ecoanalítica

A closer look at the survey's findings reveals that, even though people received these services, they had a low opinion of their quality. 51.3% of those interviewed said they had experienced problems with accessing their fixed Internet service on a daily basis. Broken down by city, the situation in Barcelona was the worst, with 56.6% of its population affected by inefficient access to their Internet service.

In the case of mobile telephony, 41.7% of users said they experienced problems every day and the locations most affected were Maracaibo (53.6%) and Ciudad Bolívar (48.4%). 21% of the users who were not experiencing problems every day said they had had problems during the mass power outs and 20.3% said they had experienced practically no problems.

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A country without freedoms

The authorities have decided to ignore the state of the public services in Venezuela. As the findings of the OVSP survey reveal, the situation is serious. None of the services are being provided to the entire population, and those to whom they are provided receive services of poor quality with frequent problems and interruptions. Paraphrasing Amartya Sen, the lack of public services is an impediment to people's freedom. Bearing in mind that, in Venezuela, this is not the only thing depriving people of their freedom (according to Sen's way of thought), it is clear that the road that must be traveled to reach some level of development is a long one.

Corina Fung

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Year 15. Number 31 Week I
 September 2019

WEEKLY INDICATORS

Weekly Economic Indicators			
	1st Week September	Weekly chg. (%)	Depre/Apre (pp) ¹
FX Boards (VES/USD)²	23,675.60	28.6	22.2
	4th Week August	Weekly chg. (pp)	Annual chg. (pp)
Lending Interest Rate (%)	31.9	-0.1	10.5
	1st Week September	Weekly chg. (pp)	Annual chg. (pp)
Overnight Interest Rate (%)	129.6	1.9	127.3
	5th Week August	Weekly chg. (%)	Annual chg. (%)
International Reserves (USD Bn)	8.3	2.1	-0.3
	4th Week August	Weekly chg. (%)	Annual chg. (%)
Monetary Liquidity (MM VES)	12,436,807	6.1	23,125.5
Price of International Oil Baskets (USD/bl)			
	5th Week August	Weekly chg. (%)	Annual chg. (%)
WTI	55.1	-1.1	-20.4
Brent	59.8	0.2	-21.9
Price of the Venezuelan oil basket (USD/bl)			
	5th Week August	Weekly chg. (%)	Annual chg. (%)
Weekly Average	53.9	-0.2	-21.5
Annual Average	59.1	-0.3	-7.0

Sources: BCV, MENPET, ONT and Ecoanalítica

* Annual variation of accumulated expenditure.

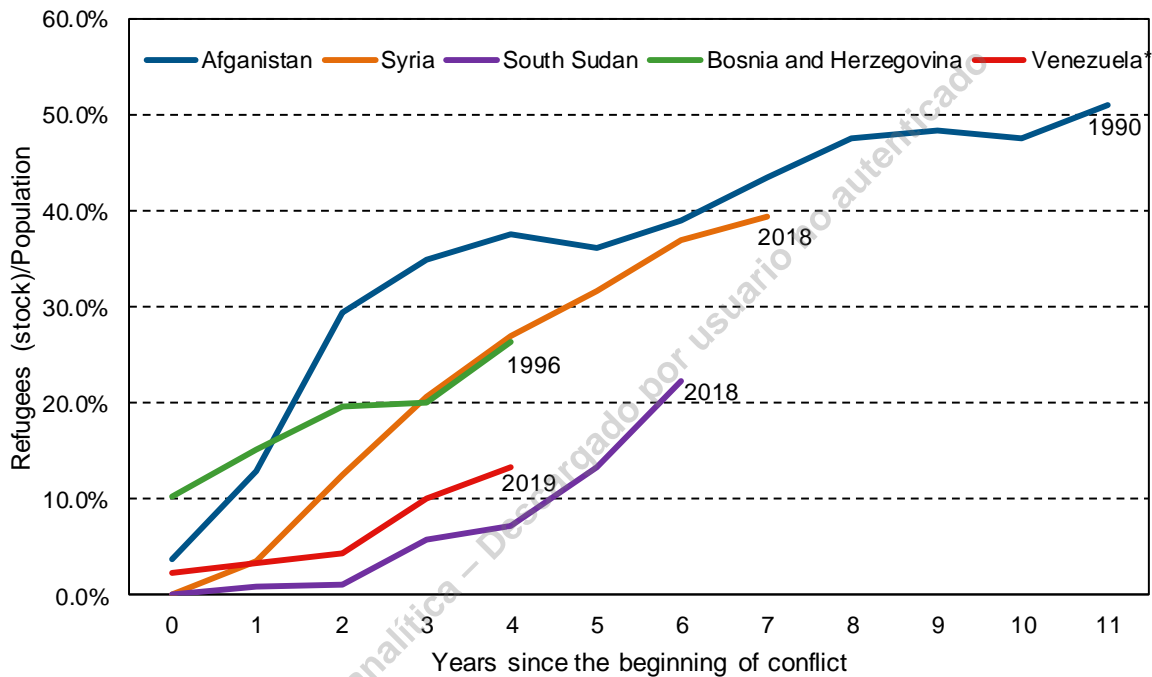
¹ Depreciation (+)/Appreciation (-)² FX Borads' average exchange rate

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GRAPH OF THE WEEK: “WARLIKE EXODUS?”

Refugees as proportion of population during militar and/or political conflicts



Sources: UNHCR, IOM, R4V, INE and Ecoanalítica.

*Last year calculated with INE's population projections and the number of Venezuelan migrants and refugees on August 2019.

Since the third quarter of 2014 Venezuela has experienced a recession that has degenerated into one of the worst economic crises ever. Destruction of production capacity, hyperinflation, shortages, and loss of purchasing power, among other things, all occurring in the context of a profound socio-political crisis, are the reasons that have prompted millions of Venezuelans to abandon the country in search of a better life elsewhere.

As the economic crisis has worsened, the percentage of the Venezuelan population that has emigrated has increased. At the end of 2016, 2.3% had left the country, a percentage that went up to 3.4% in 2016, to 4.5% in 2017, and to 10.1% in 2018. In August 2019, the Office of the United Nations High Commissioner for Refugees (UNHCR) reported that there were a total of 4,296,777 Venezuelan migrants and refugees in other parts of the world, which means that nearly 13.4% of the Venezuelan population is living abroad.

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Year 15. Number 31 Week I
September 2019

These data show how the rate at which Venezuelans are leaving their country is increasing and put Venezuela in a migratory situation similar to that of countries in conflict (either in political conflict and/or at war), despite not being in either of those situations. Although the proportion of Venezuelans who have migrated in the past four years is still below that reported by countries such as Syria, Afghanistan, and Bosnia and Herzegovina, it has already overtaken South Sudan and the trend is for it to get even bigger.

Bearing in mind that the economic crisis is expected to get worse in the short term and that migration by the end of 2019 is expected to be close to 8 million Venezuelans, as reported by OAS, the idea that Venezuela's migratory crisis will reach the levels typical of a country at war is becoming increasingly plausible.

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ECONOMIC TIPS

Tax receipts in August. According to the figures published by the National Integrated Customs and Tax Administration Service (Seniat), tax receipts in August came to VES 2.29 trillion, for a reduction in real terms of 0.7% compared to July. Income tax accounted for VES 293.98 billion of that amount and Value Added Tax (VAT) VES 1.22 trillion.

Real August tax receipts. Total tax receipts in August this year were down 75.5% compared to August last year. VAT was down 77.3% in real terms and receipts from customs duties and levies were down 97.2%. As for revenues from income tax, they fell by 19.1% in real terms compared to August 2018.

Tax receipts for the year to date. Between January and August, Seniat collected VES 8.27 trillion in taxes, VES 1.18 trillion of which came from income tax and VES 4.33 trillion from Value Added Tax (VAT).

In real terms. Total tax receipts in the first eight months of the year were down 88.0% compared to the same period last year. In real terms, VAT fell by 89.5% and revenues from customs duties and levies were down 96.3%. Income tax receipts also fell in real terms over this period, by 87.4%.

Another new plan. Nicolás Maduro revealed to the Chinese press agency Xinhua that his administration was considering implementing a new economic plan to “alleviate” the effects of US sanctions.

An eleven-line plan. Maduro told Xinhua that this economic program would consist of 11 lines of action that would make it possible to transform the economy into an economy “in expansion.” However, he did not go into any details of the plan, only saying that it was being reviewed “in detail.”

Invincible. Maduro also commented that the position adopted by the United States had been “*obsessive and totally intolerant*,” but that it had failed. “*They have harmed us, and I denounce this to the world. They have done a great deal of harm to the Venezuelan people’s quality of life, to their standard of living, but we are in a position to continue moving forward despite the aggressions*,” he said.

More debt at home... The Nicolás Maduro regime, availing itself of the powers granted it under the declaration of a state of exception and economic emergency, has increased the authorized amount of public sector borrowing for this fiscal year by VES 36 trillion, as set forth in *Gaceta Oficial Extraordinaria* Number 6,472.

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Year 15. Number 31 Week I
September 2019

...and new bonds, Part I. In the same Official Gazette, authorization is granted for the issuing of national public debt bonds “*consisting of domestic borrowings*” to the value of VES 1 trillion. The funds obtained are to be used to finance the local contribution of projects.

...and new bonds, Part II. These bonds may be sold in the market by means of auctions, public offers, direct awards, swaps, reopening of issues that have already been registered or any other mechanism that the Minister of the Economy and Finance deems convenient.

Money desks. The average exchange rate offered by the money desks on September 4th was VES 23,675.6/USD, for a depreciation of 22.2% compared to last week. Even so, the unofficial exchange rate maintained a discount of 17.4%.

OIL TIPS

Fear has prevailed. Quoting internal documents and figures from Refinitiv Eikon, Reuters reported that Venezuela’s oil exports in August hit their lowest this year, at 770,000 barrels a day (770 kb/d).

Taking a closer look. This is the second month in a row that oil exports have fallen, after posting 1.13 mb/d in June and 992.6 kb/d in July.

Possible reasons. These figures could be explained by the interruption in purchases by PDVSA’s second biggest customer, China National Petroleum Corp (CNPC). A month ago, CNPC decided to cancel its shipments of crude from Venezuela due to the imposing of new US sanctions.

Russia seizes the opportunity. After CNPC’s decision to stop buying crude from Venezuela, the Russian state-owned oil company Rosneft increased its share of Venezuela’s crude exports. Internal documents to which Reuters had access indicate that Rosneft accounted for 65% of PDVSA’s shipments in August, up from 49% in July.

The Top Three. The second biggest destination for Venezuela’s crude shipments was Europe, with the Spanish oil company Repsol continuing to exchange refined products for Venezuelan crude; and the third biggest destination was Cuba. Worth noting was the change in preference on the part of India, previously a major buyer, which took only one shipment of one million barrels.

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Year 15. Number 31 Week I
September 2019

Not quite a problem. The World Bank's International Center for Settlement of Investment Disputes (ICSID) reduced the amount owed ConocoPhillips for the expropriation of its assets from USD 8.7 billion to USD 8.5 billion. A legal representative of the Juan Guaidó administration told Reuters that this would mean a saving of USD 200 million.

Nothing else to add. A ConocoPhillips representative said that the reduction was for USD 227 million and that the company was not considering contesting the decision. He did add, however, that it is seeking any legal alternative that will allow it to obtain the agreed amount in full.

Not quite a problem. An investment fund headquartered in New York has offered the Juan Guaidó administration a USD 900 million loan with which to finance the payments due on PDVSA 20 bonds. The proposal was made public in statements by Mike Conelius, the firm's portfolio manager.

Lacking in details and without the right conditions. Conelius gave no details of the scheme nor did he say what conditions would be established for repaying the loan. He did clarify, however, that as long as the US Treasury Department's Office of Foreign Assets Control (OFAC) maintains its ban on investors selling their Venezuelan bonds, it would not be possible to go ahead with the proposal.

From Venezuela to China with stopover in Malaysia, Part I. China's imports of crude from Malaysia in July came to 1.35 tons, more than twice the amount observed last year and similar to the record levels in May.

From Venezuela to China with stopover in Malaysia, Part II. Refinitiv Oil Research analyst Emma Li said that they estimated that 500,000 of those tons were sent from Venezuela.

At an all-time high, Part I. Figures from the US Energy Information Administration (EIA) reveal that crude and natural gas production reached a new historic high in 2018.

At an all-time high, Part II. With an increase of 17% in 2018, USA's crude production reached 11 million barrels a day (mb/d), surpassing Russia's output to become the world's biggest producer.

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BUSINESS SECTOR TIPS

What's only fair (at least for today). Wills Rangel, who heads up the Socialist Bolivarian Workers Union, said that the Nicolás Maduro administration should consider raising the minimum wage by half a Petro and that the Petro should be allowed to fluctuate in line with the values published by the National Superintendency of Crypto Assets and Related Activities (Sunacrip).

Another benchmark. Meanwhile, Antonio Suárez, the president of the National Unitary Federation of Government Service Employees (Fedeunep), said that the minimum wage should be set at USD 400 a month.

The cost of operating. José Montoya, the president of the Taxi and Minibus Operators Union, announced that they expected fares to be increased to VES 3,500. He said that the increases in fares were due to the value of the dollar in local currency and inflation.

It's difficult for everyone. Montoya also pointed out that only 5% of the public transport sector's automotive park was operating. This situation is due to the lack of spare parts and inputs and the high cost of maintenance. On top of that, the way prices are constantly changing makes it difficult to set fares that cover operating costs.

External boosts. Felipe Capozzolo, the president of the National Commerce and Services Council (Consecomercio), commented that the sector needed either local or foreign investment but that the chances of obtaining this investment were limited due to the current conditions imposed by the present system of taxation and Venezuelan legislation, in particular the Fair Costs and Prices Act.

It's still a problem. The president of the Aragua State Chamber of Industrialists (CIEA), Freddy Lujano, complained that the Business Activity Tax created on December 27, 2018, was such a huge restriction that it was jeopardizing the efficiency of companies in Sucre Municipality.

No commissions allowed. The Superintendency of Banking Sector Institutions (Sudeban) has applied sanctions to points-of purchase suppliers that failed to abide by the rules set forth in Sudeban Resolution Number 116.17. It fined those it considered charged excessively high commissions, namely commissions of 10% or 12% of the purchase.

Year 15. Number 31 Week I
September 2019

The boost continues. The Nicolás Maduro administration issued 400 agricultural kits to small and medium-size producers via the Agropatria Goes to the Farmland Program, the purpose of which is to boost the production of cereals, legumes and vegetables.

Having a roof is a priority. Minister of Habitat and Housing Ildemaro Villaroel announced that they had handed over 2,773,404 homes since the ministry was created in 2011. He also commented that the shanty district upgrade program *Gran Misión Barrio Nuevo, Barrio Tricolor* had refurbished a total of 1,252,944 homes.

The boost continues. The president of the Venezuelan Clothing Industry Chamber (Cavediv), Roberto Rimeris, said that the clothing industry's production capacity was less than 25% as a result of the lack of legal certainty, personnel, and confidence.

They are not only necessary at home. The director of the Higher Tourism Council (Conseturismo), Leudo González, said that the number of travelers had gone down compared to previous years. He mentioned that the main cause of this situation had to do with shortcomings in the provision of basic services, namely electricity, fuel and potable water.

Leisure made difficult. González explained that the problems with the basic services had caused tourism to shrink to the point where hotel occupancy in Venezuela was between 20% and 25%. Something else he mentioned that was affecting the sector was the reduced possibility of traveling around the country by road (a more affordable alternative to air travel) due to problems with obtaining gasoline and the lack of safety on the roads.

The problem is one of spare parts. Omar Bautista, the president of the Venezuelan Automobile Products Manufacturers Chamber (Favenpa), said that only 57% of the 4,083,000 vehicles in the country are running. He argued that this was due to the fact that the production of spare parts had shrunk by 90% over the past 10 years.

WORLD ECONOMY TIPS

Not letting go of the little control it has. Guido Sandleris, the president of the Central Bank of the Republic of Argentina, said that the bank would continue with its foreign exchange intervention policy and restrictive monetary policy with a view to moderating the volatility of the Argentinean peso.

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Year 15. Number 31 Week I
September 2019

Dealing with problems at home first. Sandleris added that the intervention mechanism would continue to be to use the international reserves and that this would be given priority over liquidating the reserves to pay the public debt.

Mission impossible. Argentina's Minister of the Treasury Hernán Lacunza requested the International Monetary Fund (IMF) and Argentina's institutional creditors for more time to repay the debt, in both local and foreign currency, claiming "*liquidity problems.*"

Dragging out dealing with the problem. Lacunza had apparently requested creditors to extend the maturities of Argentina's short-term debt and the IMF to extend the dates for repayment of its USD 57 billion debt with the multilateral agency.

Thinking of others. He also gave political reasons for the request, saying that the present administration wanted the next government to be able to start its term "*implementing its policies without the restriction of imminent or excessively high maturities.*"

The creditors. Lacunza said that debt creditors would not be subject to cuts in their capital or interest payments. Meanwhile, the IMF has said that it was analyzing the impact Argentina's proposed extension would have.

A black mark against. The credit rating agency Standard and Poor's issued a press release saying that Argentina's decision to "*unilaterally*" extend debt maturities amounted to a default.

What it looks like. Moreover, it warned that Argentina's local and foreign currency debt papers were now rated as Selective Default (SD). Using similar reasoning, the credit rating agency Fitch classified Argentina's sovereign debt as Restricted Default (RD).

Is control the solution? The Argentinean Government announced the implementation of new financial controls with the purpose of curbing the peso's devaluation against the dollar. This is a short-term measure that will remain in place until December 31 this year.

What does it consist of? Among the measures announced are a USD 10,000 month ceiling on the purchase of foreign currency, a maximum of five days for exporters to repatriate foreign currency, and the requirement of an authorization from the Central Bank in order to be able to buy dollars.

They still have a round in the chamber. The candidate to president of the European Central Bank (ECB), Christine Lagarde, commented that the bank could still cut interest

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rates if necessary, although she also pointed out that this might put the region's financial stability in jeopardy.

Falling short but stable. An initial revision of the published figures for inflation in the European Union reveals that inflation for August remained unchanged from July at 1%. This rate is below the ECB's target of 2%.

Getting ready for a forced landing. Pablo Hernández de Cos, a member of the Central Bank of Spain's Governing Council, commented that the outcome of Brexit continued to be a focus of attention for the world economy and particularly for the European Union. He also forecast that, given the decision of Britain's Prime Minister Boris Johnson to suspend Parliament, the possibility had increased of expectations being for a "hard Brexit."

New territory. China started to impose tariffs on a variety of US goods last Sunday. Using a list of US target goods to the value of USD 75 billion, 5% and 10% tariffs were imposed on 1,717 out of a total of 5,078 goods from the United States. In addition, a 5% tax is now being levied on imports of US crude.

POLITICAL TIPS

Waiting for a response. The second vice president of the National Assembly, Stalin González, announced that the Venezuelan opposition was waiting for a response from Nicolás Maduro to the proposal made during the negotiations in Barbados.

The discussion was interrupted. González explained, "We left a proposal on the table. The regime abruptly got up and left because they didn't want to discuss the fundamental issues." Regarding a possible date for resuming the talks, he said "that is a question for the regime, whether they are prepared to."

Free elections. González said that the opposition was seeking to reach an agreement that would "give the free vote back" to Venezuelans, referring to the 2018 presidential elections. "Here we all know that the elections that are needed are the presidential elections that were not held properly in 2018," he claimed.

Without Maduro? Regarding the position adopted by Elliott Abrams, the United States' Special Envoy for Venezuela, regarding Maduro not taking part in possible presidential elections, Deputy González merely said, "That's getting to the bottom of the issue," and as for the guidelines for the negotiation, he said he was not able to "speak about either the fundamental issues or the agenda."

Year 15. Number 31 Week I
September 2019

Calling for more pressure. At a press conference human rights on Monday activist Lilian Tintori emphasized the urgent need for the European Union to put more pressure on the Nicolás Maduro regime.

Nurses to go on strike. Ana Rosario Contreras, the president of the Nurses Association, said that they would start a staggered strike on Thursday, September 5, to get the attention of the authorities, demand higher wages, and denounce the decline of the health sector.

Why are there funds for other sectors and not ours? Contreras criticized the fact that the State had allocated funds to other sectors and not to health. Commenting on this she said, *“If the sanctions are affecting us, why is money spent to solve other things and not to guarantee health?”*

Wage raise. Contreras added that they had asked the Vice Presidency of the Republic to dollarize their salaries and claimed that health workers' salaries should be around USD 400 a month.

A general call. Health sector protesters extended their call to other groups of workers to join the strike. Ramón Agüero, the vice president of the Nursing Associations Federation, said, *“We’re going to issue a call to all the associations in the country to join the demand for our rights.”*

The end of peace. The Revolutionary Armed Forces of Colombia (FARC, after its initials in Spanish) released a YouTube video on Thursday, August 29, announcing that they are returning to war. In the video, apparently recorded at a border area between Brasil and Venezuela, Iván Marquéz and Jesús Santrich figure out as the group's leaders.

Backing Duque. After the announcement, the interim President of Venezuela, Juan Guaidó, informed that he conversed with Colombia's President, Iván Duque. About that, Guaidó said: *“We reiterate our support for the fight you have undertaken against terrorism that affects both nations. We reject the use of Venezuelan territory under the protection of Maduro to spread its messages”.*

United against the guerrillas, Part I. On the matter of the reunification of the guerrilla forces, the *Soy Venezuela* alliance presented Acting President Juan Guaidó with a communiqué in which it proposes signing an agreement with the Government of Colombia and the US Drug Enforcement Agency (DEA) to combat armed groups.

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Year 15. Number 31 Week I
September 2019

United against the guerrillas, Part II. In the communiqué, *Soy Venezuela* says that the FARC operates freely in 11 states in Venezuela and mentions its direct ties with the Nicolás Maduro administration, which they are “*trying to strengthen.*” It claims that “*the fight against the Venezuelan tyranny is regional in dimension (...) and that it requires concrete action by the continent’s democracies.*”

United against the guerrillas, Part III. In the same communiqué, *Soy Venezuela* applauds the efforts of Juan Guaidó and Iván Duque to combat the criminal action of the National Liberation Army (ELN) and the FARC and proposes “*signing a cooperation agreement with the President Duque administration and with the US Drug Enforcement Agency (DEA) to jointly and effectively combat these groups that are operating today in our territory.*”

Official rejection. On Tuesday, Venezuela’s National Assembly discussed and approved the “*Agreement in rejection of the presence and expansion of irregular groups in the national territory*”, in which the existence of armed groups in Venezuela is denounced and the Maduro’s government is impeached for cooperating with them for their establishment and development in the country.

Terrorist groups. In the parliamentary debate, deputy Francisco Sucre said that the armed groups are scattered on Venezuela in thirteen states at least, especially in Bolívar and includes militants of FARC, the National Liberation Army (ELN, after the initials in Spanish), Hamás, Hezbolá and ISIS, which were qualified as “*terrorist groups*”.

Borges leading. Regarding this, the Assembly agreed that Julio Borges, commissioner for Foreign Relations, would be instructed to work alongside the democratic countries of the region in the fight against narcoterrorist groups and for the application of relevant measures for the restitution of security in the country.

Modern warfare. Likewise, President Guaidó authorized the use of satellite technology to facilitate the location of aircraft used for drug trafficking. On this, he said: “*We are going to ally with the democratic world to face this threat to Venezuelans and sovereignty.*”

Old enemies, new allies. Guaidó said that he has the support of Hugo Carvajal, a deputy and chavista dissident; Manuel Cristopher Figuera, former director of the Bolivarian National Intelligence Service (SEBIN) and officials loyal to the interim government, who “*are reporting to detect these groups.*”

Summoning the FANB. During the session, the Bolivarian National Armed Forces (FANB) were called to defend sovereignty and Venezuelans. On this, Guaidó asked them

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Year 15. Number 31 Week I
September 2019

if they were going to continue “*hiding the dictator who is facilitating the presence of irregular groups in Venezuela.*”

Denouncement at The Hague. On Wednesday, the opposition presented to the International Criminal Court the complaint about the establishment of the FARC in Venezuela and the support provided by the government of Nicolás Maduro to this and other armed groups.

Soon in the UNGA. Furthermore, deputy Francisco Sucre said on Tuesday’s session that the National Assembly will denounce Venezuela’s situation at the United Nations General Assembly because they wouldn’t “*allow Venezuela to become a sanctuary for terrorists*”.

Another frustrated “assassination attempt.” This Saturday, the Maduro regime’s minister of communication and information, Jorge Rodríguez, denounced a series of “terrorist attacks” against the Bolivarian Government that were frustrated. He said, “*On August 17 explosives were found at the headquarters of the Special Actions Force (FAES) in Propatria and in 23 de Enero and subsequently deactivated.*”

A “terrorist” arrested. Luis Ricardo Gómez Peñaranda, a dual Colombian-Venezuelan national, was captured following statements given by a lieutenant by the name of Gutiérrez who was found in possession of C4 explosive that he was about to take to Caracas, according to Communications Minister Jorge Rodríguez.

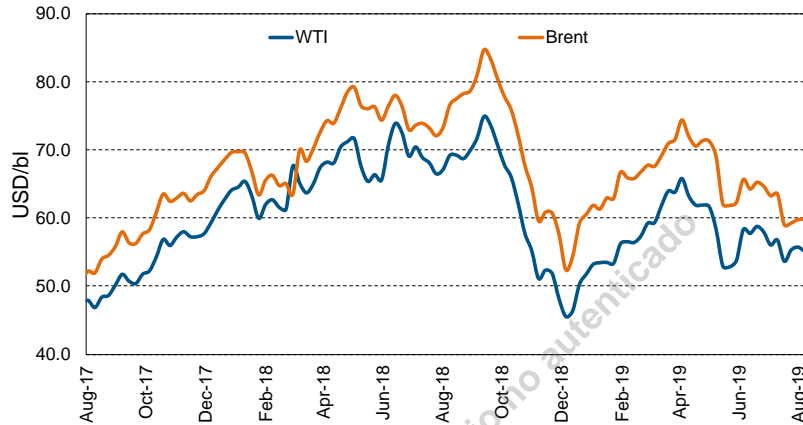
Duque is to blame. Minister Jorge Rodríguez held Colombia’s President Iván Duque responsible for being part of a plan to carry out these assassination attempts. “*How much longer, Iván Duque? Where is High Commissioner Michelle Bachelet, who does not safeguard human rights?*” he said.

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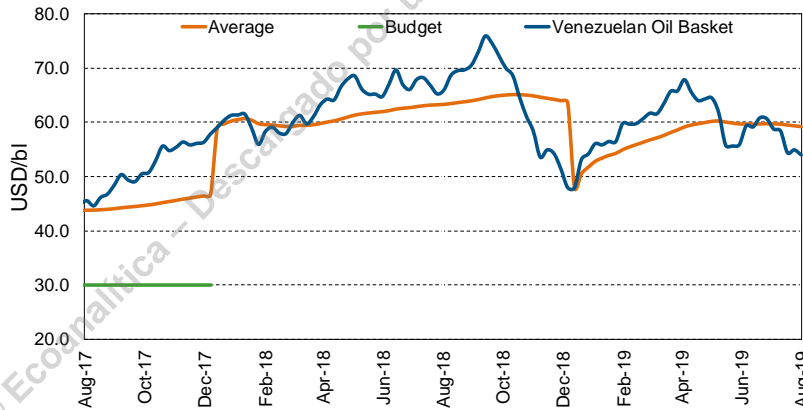
ECONOMIC INDICATORS

**Oil Prices
(WTI and Brent)**



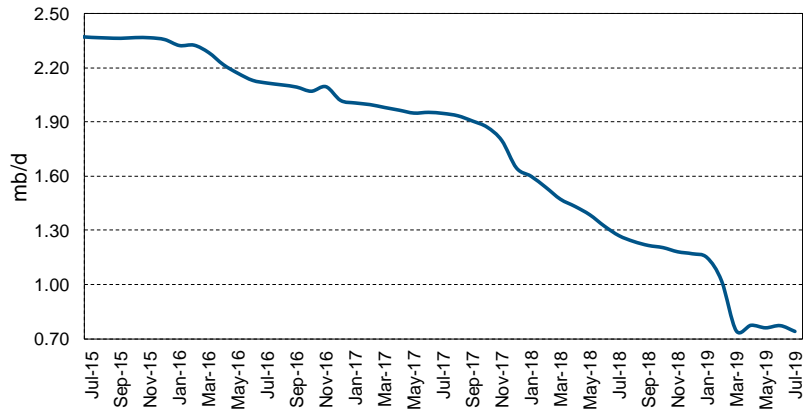
Sources: Menpet and Ecoanalítica

**Oil Price
(Venezuelan Basket)**



Sources: Menpet and Ecoanalítica

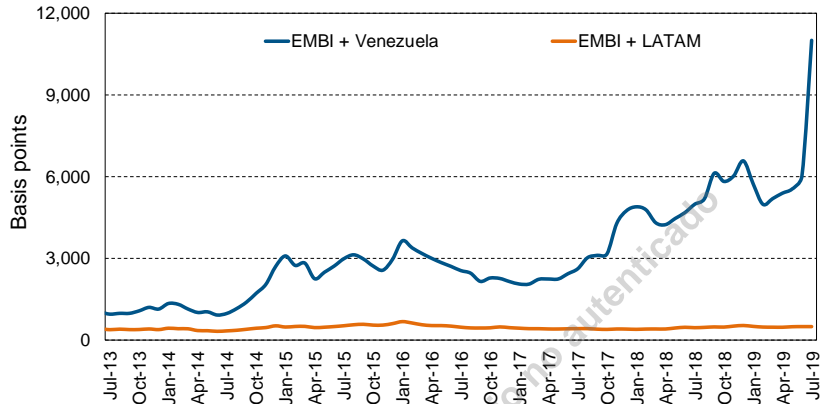
**Oil Production
(Secondary sources)**



Sources: OPEC and Ecoanalítica

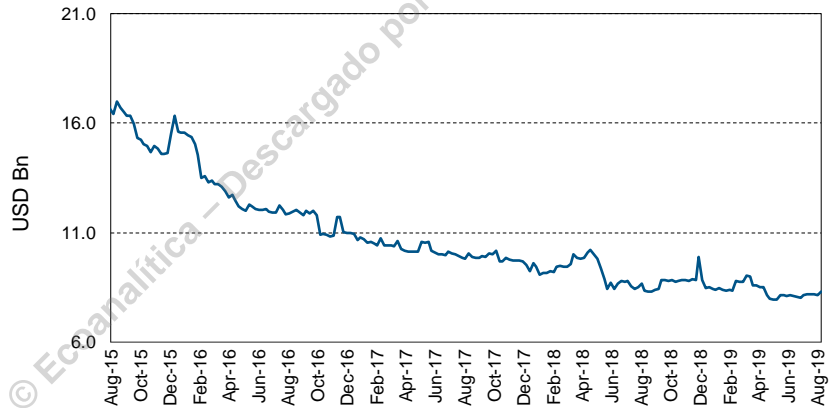
ECONOMIC INDICATORS

EMBI



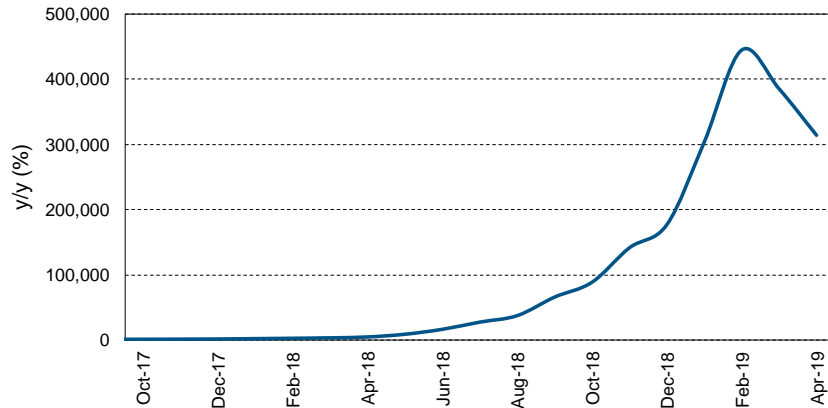
Sources: BCRP and Ecoanalítica

FX Reserves (BCV)



Sources: BCV and Ecoanalítica

Inflation (BCV)



Sources: BCV and Ecoanalítica

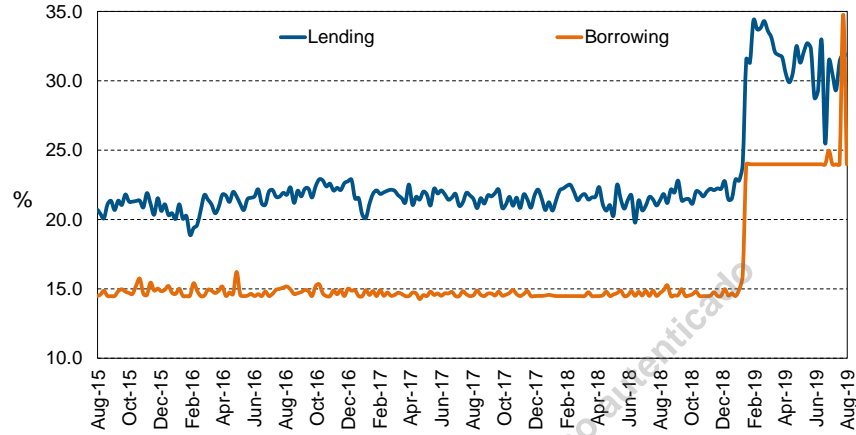
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Year 15 Number 31 Week I
September 2019

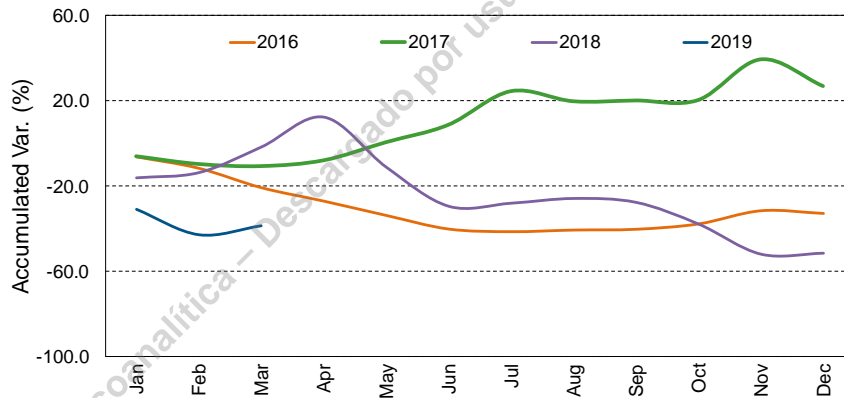
ECONOMIC INDICATORS

**Interest Rate
(Six major banks)**



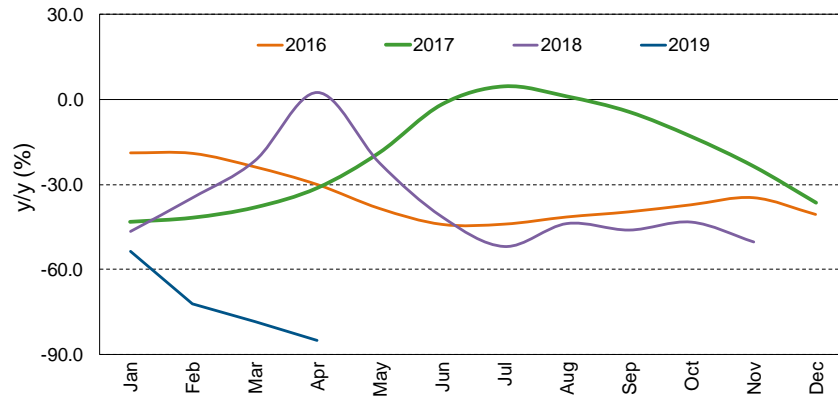
Sources: BCV and Ecoanalítica

**M2 Expansion
(Real)**



Sources: BCV and Ecoanalítica

**Loan Portfolio
(Real)**



Sources: SUDEBAN and Ecoanalítica

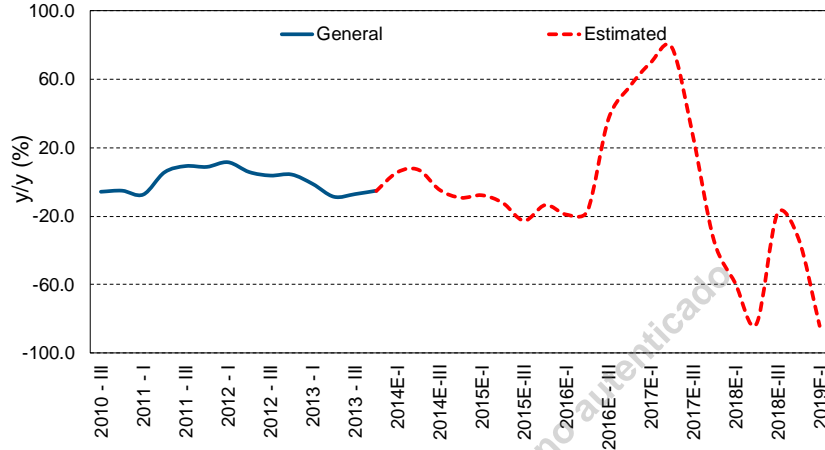
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Year 15 Number 31 Week I
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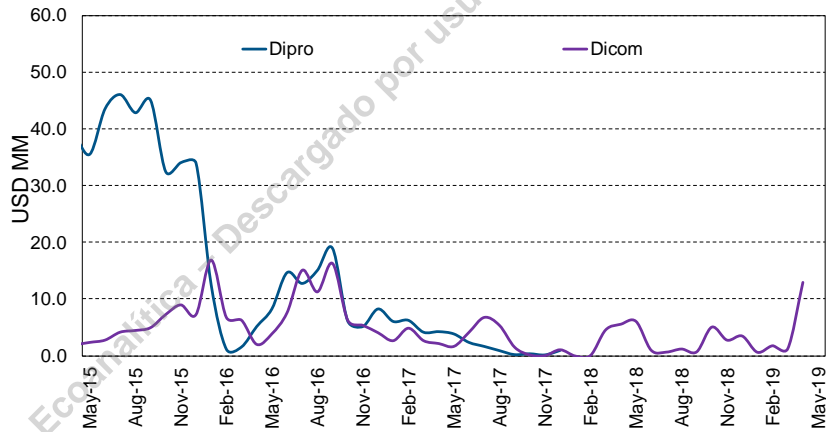
ECONOMIC INDICATORS

Real Wage Index



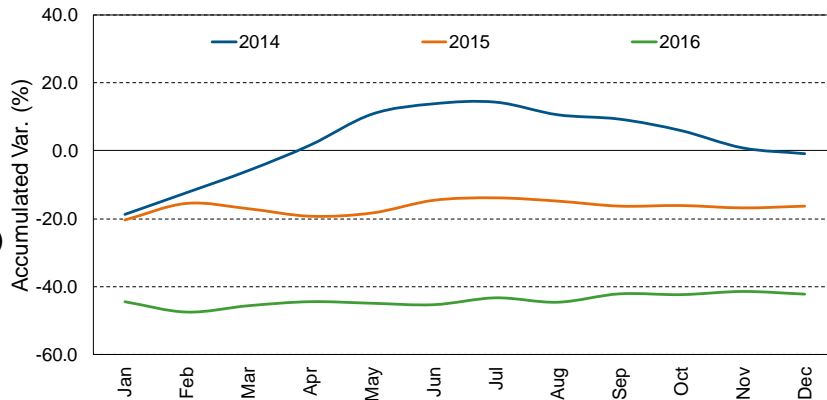
Sources: BCV and Ecoanalítica

Disbursements to the Private Sector (Daily Average)



Source: Ecoanalítica

Primary Spending NTO eal - Central Government



Sources: ONT and Ecoanalítica

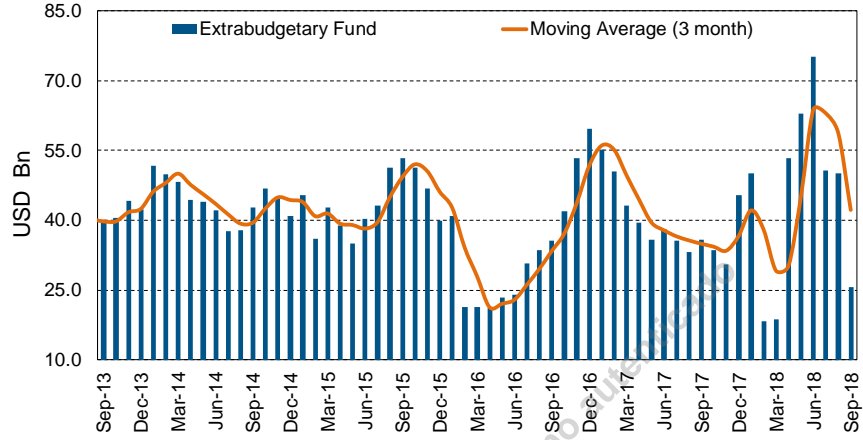
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Year 15 Number 31 Week I
September 2019

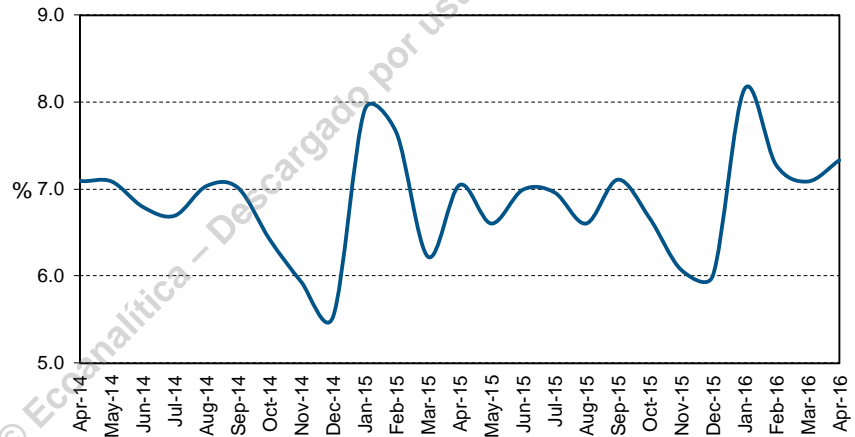
ECONOMIC INDICATORS

State Extrabudgetary Resources



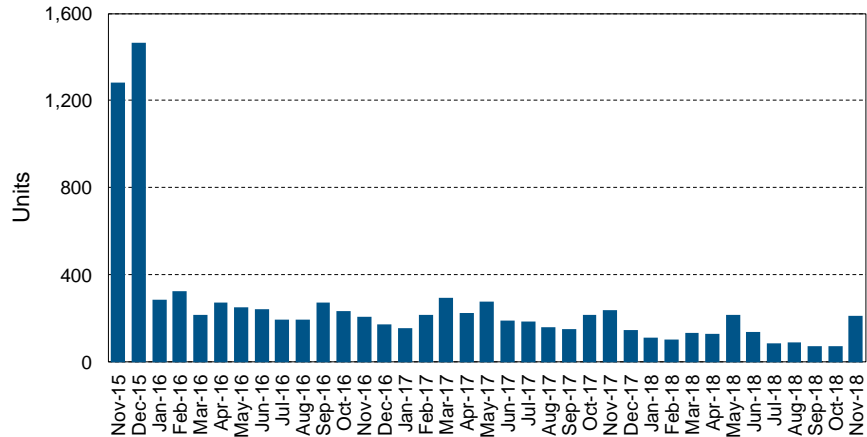
Source: Ecoanalítica

Unemployment Rate



Sources: INE and Ecoanalítica

Vehicle Sales



Sources: CAVENEZ and Ecoanalítica

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