

Anti-blocking law: Little *perestroika* and no *glasnost*

On September 29th, the Venezuelan Executive branch presented the draft *Anti-Blockade Law for National Development and the Guarantee of Human Rights* for discussion and its subsequent approval¹ by the National Constituent Assembly (ANC) on October 8th. The law, established as constitutional, introduces a special and temporary normative framework that would provide the Public Power with legal tools to execute economic policy in response to "unilateral coercive measures" and "other restrictive or punitive measures adopted against the country and its nationals". In essence, it would allow the Executive greater discretion to influence the national economic direction, justified by the existence of international sanctions against Venezuelan State agencies and their members.

The publication of the law has rekindled expectations² of greater liberalization³ and private participation in economically sensitive areas where the public sector was dominant or reserved for exclusive participation. At **Ecoanalítica**, we believe that, in theory, the law gives the Executive branch facilities for the application of specific interventions that were once limited by legal and political restrictions. However, this does not constitute a sufficiently substantial reform to have a significant impact on the recovery of business confidence, the correction of macroeconomic imbalances, or the reversal of negative trends in the country's economic performance.

Paper supports any fiction

The economic scope of the law is mainly defined in *Chapter II: Measures of Macroeconomic, Commercial and Investment Balance*. Initially, the specific economic measures are defined as those corresponding to the direct and indirect effects of sanctions⁴ on the national economy. Subsequently, it is established that the additional income received from the application of such measures⁵ will be registered separately

¹ We analyzed the law's initial draft. The final version approved by the ANC is essentially the same, with discrete edits and it has not been published at the time of writing of this report.

² [Bloomberg](#). (2020). *Venezuela Draft Legislation Sets Ground for More Privatizations*.

³ [Reuters](#) (2020). *Venezuela's Maduro drafts bill to expand powers for new oil deals*.

⁴ Article 15.

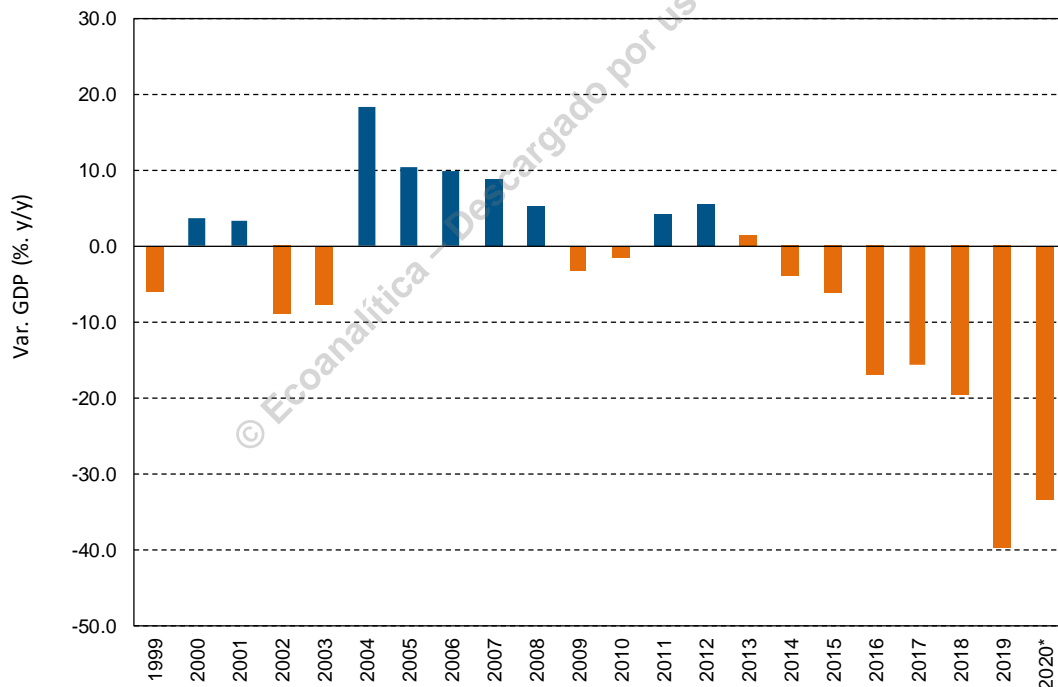
⁵ Article 16

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within the national treasury and will be destined to compensatory systems of salary and real income, social protection system, recovery of public services, substitution of imports and recovery of public infrastructure.

Under these precepts, the Executive is framing that the erosion in the productive capacity and indicators of national quality of life is an exclusive consequence of the sanctions and that the additional resources destined to their attention should not be submitted to the budgetary process. At **Ecoanalítica** we believe that such an approach ignores external, financial and physical restrictions that prevent local productive sectors from generating added value to achieve the objectives established in the law itself; especially when it omits structural imbalances caused by deficient macroeconomic policy design that led to the recessionary period long before the imposition of sanctions.

Year-on-year change in GDP



Sources: BCV and Ecoanalítica.

*Estimates.

Giving yourself a legislative blank check

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In cases of implementation, the Executive is authorized to waive legal regulations⁶ if considered necessary and indispensable for macroeconomic management, once approval is received from the relevant ministries under the coordination of the Sectoral Vice Presidency of the Economy⁷. Additionally, the Second Transitory Provision establishes the suspension of norms that collide with the provisions of the Anti-Blockade Law, including several organic and special laws within the framework of State of Exception and Economic Emergency Decrees⁸.

In other words, these provisions essentially give the Venezuelan State an almost absolute degree of discretion to suspend and ignore regulations that would restrict the implementation of economic policy, while international sanctions remain in place.

Transplants for a public sector coma?

As for the range of economic policy action, the opening to extended collaboration with actors outside the public sector could be contemplated in the provisions of the new regulation that allow the Executive to celebrate legal acts or businesses for the protection of assets⁹, the reorganization of entities with business purposes¹⁰, to which is added the modification of the constitution, management, administration and operation of public or mixed enterprises¹¹; together with the implementation of exceptional mechanisms¹² of purchase, contracting and payments related to areas such as the generation and mobilization of foreign currencies.

Explicitly, the Executive can authorize and implement measures to stimulate private investment, which include the participation of owners in the management of assets under State administration as a result of judicial measures¹³; while allowing the lifting of restrictions on commercialization in strategic activities of the economy¹⁴. Finally, in the financial sphere, the law gives the Executive the power to create new mechanisms for the preservation of savings¹⁵ and the execution of transactions involving the assets of the Republic¹⁶.

⁶ Article 17

⁷ Article 18.

⁸ The same ones that have been extended 30 times since their introduction in 2016.

⁹ Article 22.

¹⁰ Article 23.

¹¹ Article 24.

¹² Article 26.

¹³ Article 27.

¹⁴ Article 28.

¹⁵ Article 20.

¹⁶ Article 29.

As a whole, these provisions give the State a wide range to modify at its convenience the way it manages entities and assets related to economic activity, with the possibility of reverting nationalizations and expropriations; while allowing private participation in areas where exclusive exercise is usually reserved.

Files behind an iron curtain

The law creates a transitory regime regarding the classification of documents "with confidential and secret content, aimed at protecting and ensuring the effectiveness of the decisions taken by the Public Power"¹⁷, and gives the maximum authorities of the Public Administration the power to grant a reserved character to any file, document, fact or circumstance that they consider appropriate, prohibiting their copy and access to such information¹⁸.

For practical purposes, the law not only expands the Executive's capabilities for economic decision-making, but also saves it from publishing and disclosing information related to the details or conditions under which such decisions are applied, increasing the opacity of official accountability for the actions to be taken under the new law.

Tempering expectations

The fact that the law opens the possibilities of organizational rearrangements of certain areas of economic interest, in cooperation with the private sector, does not guarantee that the conditions of such arrangements will be optimal to what the national business community considers convenient, especially when the regulations imply extensions in the discretion and opacity with which the Public Sector operates. This is plausible considering the precedent over the actions of the Executive, which seems to be governed in many cases by political priorities, to the detriment of macroeconomic stability.

It is important to note that our analysis focuses on the practical implications of the law, assuming that the Executive has the *de facto* capacity to implement the provisions enshrined in it; this does not mean that it will succeed in its stated objectives. The considerations of the (in)compatibility¹⁹ of the law within the Venezuelan rule of law²⁰ were not considered in depth in this report but could have non-trivial implications on the

¹⁷ Article 34.

¹⁸ Article 35.

¹⁹ Brewer-Carias, A. (2020) *Ley Antibloqueo: Una monstruosidad jurídica para desaplicar, en secreto, la totalidad del ordenamiento jurídico*. Extracted from: <http://allanbrewercarias.com/wp-content/uploads/2020/10/212.-A.R.-BREWER-CARIAS.-Una-Monstruosidad-juridica.-Ley-Antibloqueo.-4-10-2020.pdf>

²⁰ [Prodavinci](#). (2020). *El insólito proyecto de Ley Antibloqueo*.

international recognition and legitimization of the measures taken under this law, at least in the short term.

To summarize, at **Ecoanalítica** we consider that the most important aspects of the law, at the moment of its initial approved, for Venezuelan firms and households can be listed in:

- The law may consider a continuation of the informal adjustment process initiated by the Executive since the beginning of 2019, in which it cedes economic spaces in a timely manner, motivated by financial restrictions and political pragmatism rather than as part of a comprehensive economic stabilization program.
- The law does not correspond to nor imply a substantial reform in the conduct of national economic policy. Therefore, its impact on addressing macroeconomic imbalances will be limited.
- The "avenues of liberalization" are conditioned to an environment of growing opacity and discretion on the part of the Executive, the law does not provide sufficient guarantees of legal security to ensure that there will be no abrupt changes in government action in the future.
- Such discretion opens the door for collaboration with private actors to be influenced by political preferences, with no indication of an open or transparent bidding process.
- The Executive needs to clarify its details regarding the management of state-owned enterprises, in order to evaluate whether in fact partial or total privatization of public assets was consolidated.
- The ability to introduce new financial mechanisms and instruments opens doors for greater adoption of *bolívar* substitution signs within the payment system.
- Technically, it follows the rules of controls that allow the State to resume its intervention in economic activity if it considers it appropriate.
- Doubts about the legitimacy and future recognition of agreements signed under this law may discourage the participation of national and foreign private agents.
- Frictions with foreign trading partners can arise when framing economic arrangements within a policy in response to international sanctions, especially if those partners have incentives to avoid being affected by the sanctions.

Giorgio Cunto.

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WEEKLY INDICATORS

Weekly Economic Indicators			
	2nd Week October	Weekly chg. (%)	Depre/Apre (pp) ¹
FX Boards (VES/USD) ²	438,516.10	8.9	8.1
	4th Week September	Weekly chg. (pp)	Annual chg. (pp)
Lending Interest Rate (%)	39.2	0.2	10.6
	1st Week October	Weekly chg. (pp)	Annual chg. (pp)
Overnight Interest Rate (%)	115.8	-72.7	-12.9
	1st Week October	Weekly chg. (%)	Annual chg. (%)
International Reserves (USD Bn)	6.5	2.2	-19.3
	4th Week September	Weekly chg. (%)	Annual chg. (%)
Monetary Liquidity (MM VES)	210,199,954	3.3	1,102.0
Price of International Oil Baskets (USD/bl)			
	4th Week September	Weekly chg. (%)	Annual chg. (%)
WTI	39.8	0.6	-29.2
Brent	40.9	0.3	-34.8
Price of the Venezuelan oil basket (USD/bl)			
	5th Week July	Weekly chg. (%)	Annual chg. (%)
Weekly Average	22.4	0.0	-61.9
Annual Average	28.8	-0.7	-51.7

Sources: BCV, MENPET, ONT and Ecoanalítica

* Annual variation of accumulated expenditure.

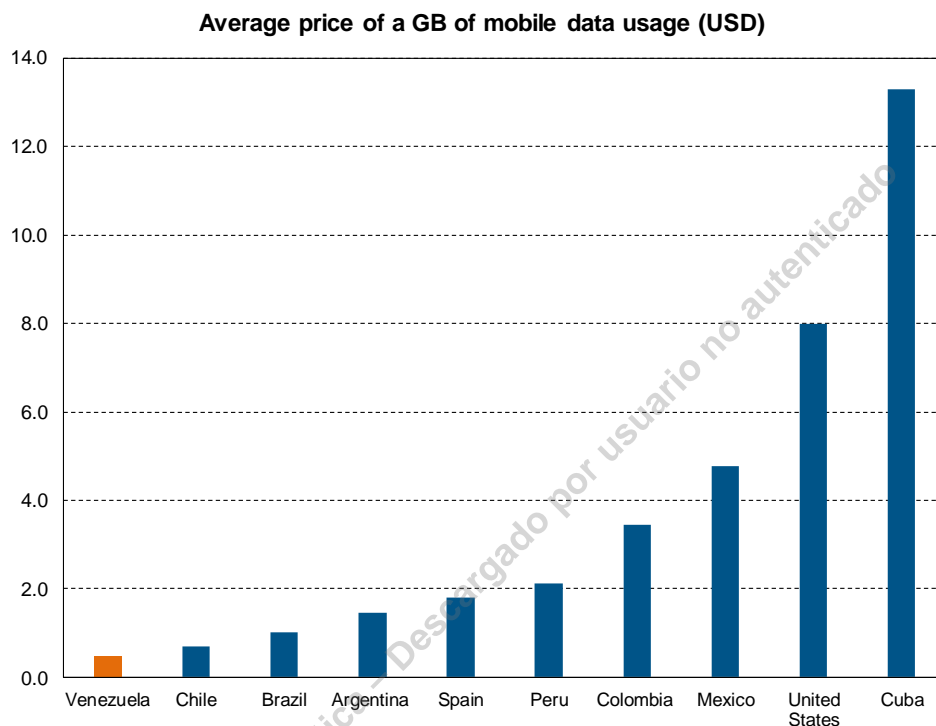
¹ Depreciation (+)/Appreciation (-)² FX Borads' average exchange rate

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CHART OF THE WEEK: “THE ALTERNATIVE DOES NOT COVER”



Sources: Cable.co.uk, Movistar, Digitel, LocalBitcoins and Ecoanalítica

Two weeks ago, the new school year began across the country. Due to the confinement, Nicolás Maduro declared that it was necessary that, for this year, at least, the activities were resumed remotely; he claimed that to make this decision he had consulted experts in the area and analyzed the international experiences.

In principle, the best conditions are not available to carry out such a plan. A survey by the Venezuelan Observatory of Public Services (OVSP), carried out between April and May of this year, revealed that 65.3% of homes valued fixed internet service negatively and assured that they had failures every day, while 65.7% of those surveyed nationwide assured that they did not have access to the service. Given this scenario, the use of mobile data emerges as an effective alternative to alleviate these deficiencies.

A collection of prices for mobile browsing is presented on the website www.cable.co.uk. Unfortunately, the portal does not include data on Venezuela, because they did not have suppliers to provide them. However, if we take as a reference what is offered by some

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private providers in the local market, it could be calculated that the price of a Gb of mobile navigation in Venezuela averages USD 0.47.

In this comparison, the price in the United States stands out, both in our sample and on a global scale, with an average price value of USD 8.0 per Gb, constituting the 40th (of 228) highest price in the world. Another outstanding value in the study is the one observed in Cuba, of USD 13.3 for each Gb, occupying the 16th place in the same previous comparison. At the same time, there are presented representative cases such as Chile (USD 0.71 per Gb), Spain (USD 1.81) and Peru (USD 2.13 per Gb).

With that price of USD 0.47 per Gb, Venezuela would have the lowest value of the selected sample and would be placed as the 8th cheapest service in the world. However, even with that "low" price, a little more than half of the country's households (according to the same OVSP survey) gave a not very favorable rating to the cell phone service. On the other hand, the comparison also suggests that the local industry seems to be operating with a tariff structure that does not allow it to fully cover its costs (relative to the region), which influences its quality.

Even with such values, it must be considered that for the last two years, telecommunications tariffs have been undergoing a process of liberalization that leads to an accumulated increase in associated prices of almost 1,325% during 2020 only (according to the BCV). This has occurred in a context in which, during the pandemic, 43.0% of Venezuelan households (according to the Encovi) have reported loss of income or inability to work, so that the acquisition of the service would be difficult for a large number of households in the country. If we add to this the deficiencies of the service after the lack of investment in the sector accumulated since the control of tariffs, we would converge on a scenario with a problematic start to the 2020-2021 school year.

ECONOMIC TIPS

COVID-19 in Venezuela. According to government figures as of October 8, the number of positive cases of coronavirus reached 80,404 and the number of deaths was 671.

Confined. For the week of October 4-10, most of the states in the country were managed under a scheme of general flexibilization, where activity was allowed in staggered time bands of the different sectors of the economy, as part of the 7+7 scheme proposed by the Government.

7+7 plus. In a national chain, Nicolás Maduro announced that as of October 5th, the "7+7 plus" phase will begin, with the objective of breaking the chains of infections and guaranteeing the vaccination process against COVID-19.

Facing the unknown. The announcement comes after Vice President Delcy Rodríguez indicated that a batch of Sputnik-V vaccine manufactured in Russia against COVID-19, whose quantity is unknown, had arrived in the country. For his part, the Minister of Health, Carlos Alvarado, explained that he will begin a program to test the vaccine in the capital with 2,000 volunteers.

Inflation until September. The Venezuelan Central Bank published the figures of the National Index of Consumer Prices for August and September; it shows a monthly inflation of 24.7% and 27.9%, respectively.

Another bad year. In September, prices rose 1,813.1% compared to the same month last year and have increased 844.1% since the beginning of the year.

Appeal in progress. The appeal underway since September 22nd for the 31 tons of gold held in the Bank of England took a 180-degree turn after the London Court of Appeal granted the appeal filed by the Central Bank of Venezuela (BCV, because of its name in Spanish), supported by Nicolás Maduro, and annulled the ruling issued by the High Court in July, which had considered conclusive the recognition by Great Britain of opposition leader Juan Guaidó as *"interim constitutional president of Venezuela"*.

An unexpected sentence (I). The September 28 judgment states that it is necessary to determine whether *"(1) the Government of the United Kingdom recognizes Mr. Guaidó as President of Venezuela for all purposes and, therefore, does not recognize Mr. Maduro as President for any purpose"*.

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An unexpected sentence (II). "Or (2) the HMG recognizes Mr. Guaidó as the President of Venezuela and therefore entitled to exercise all the powers of the President, but also recognizes Mr. Maduro as the person who in fact exercises some or all of the powers of the President of Venezuela.

What's next? The new ruling makes the London Commercial Court take up the case again to clarify the unknowns described above and thus provide certainty of ownership of the Venezuelan reserves.

A new ticket. According to sources at Bloomberg, the Nicolás Maduro government would be considering printing VES 100,000 bills, whose dollar value at the October 9th exchange rate would be 0.22.

The necessary has arrived. This year, the government has imported about 71 tons of security paper from Brazil from an Italian printing house owned mostly by the private capital company Bain Capital, according to data from Import Genius.

OIL TIPS

Three out of three (I). Faxon, the third Iranian vessel with fuel headed for Venezuela, docked at the Puerto La Cruz refinery, Anzoátegui State, with a cargo of 240,000 barrels of gasoline (according to data from Marine Traffic).

Three out of three (II). With its arrival at Puerto La Cruz, the last of three tankers, the second shipment of fuel from Iran to Venezuela is completed, of approximately 820,000 barrels in total. The second ship, Fortune, arrived on October 2 at the Amuay dock.

The "pico y plata" scheme arrives (I). With the arrival of these three fuel ships, the Nicolás Maduro Government decided to implement a rationing scheme by plate number in order to reduce queues at gas stations.

The "pico y plata" scheme arrives (II). According to a communiqué issued by the "Alí Rodríguez Araque" Commission, in charge of restructuring the oil sector, a "pico y plata" scheme came into effect on October 5, in order to organize the flow of vehicles in service stations.

Grab it while you can! According to data from the state-owned PDVSA and Refinitiv Eikon, Venezuela's oil exports increased in September. Exports were boosted by increased sales to clients seeking to receive as many shipments as possible before the

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deadline of the US sanctions, aimed, among other things, at reducing the trade of Venezuelan oil.

Soon it will be another story. The U.S. government granted PDVSA clients terms up to October and November to end the exemptions to the sanctions, allowing some companies to still receive Venezuelan oil, so several clients in September began to schedule their last shipments from Venezuela.

Record in quarantine. Figures from PDVSA and Refinitiv Eikon, reported by *Reuters*, indicate that a total of 24 shipments left PDVSA's ports in September, with approximately 690,000 barrels per day (bpd) of crude and fuel for export, the highest level recorded since April.

Direct to Asia. Of these shipments, more than 40% went to India, followed by exports to other Asian destinations. Exports to Europe remained stable at around 60,000 bpd.

Even the September increase was not enough. Despite the September rise, *Reuters* noted that Venezuela's oil exports averaged 503,000 bpd in the third quarter, its lowest level in more than 70 years and 11% lower than the previous quarter's average.

Purchase and sale of (black) gold. Similarly, Venezuela also increased its oil imports in September to 156,000 bpd of condensate, gasoline and diesel, almost three times the volume received in August. Such imports were received in exchange of oil with its clients and commercial partners.

99 problems and gas is not one (for now). The El Palito refinery, in the state of Carabobo, reactivated the production of domestic gas after a thermal failure was found that kept the wet gas compressor of the catalytic cracking fractionation unit (FCC) out of service since September 23rd.

Deliveries at sea (I). According to *Reuters* sources, PDVSA is informing its clients about a new location to transfer export oil from ship to ship in a place far from the Venezuelan coast, a decision that could imply more costs and less supervision.

Deliveries at sea (II). Since the US sanctions in early 2019, PDVSA has been facilitating an increasing number of exports through transfers between ships at sea in the area of Caquetíos, in front of its refinery in Amuay, on the western coast of the country.

About 20 kilometers to the north. Some PDVSA clients, who used to load in Caquetíos the crude oil produced in the west of the country, are now being directed to a place that

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is approximately 20 kilometers north of Los Monjes islands, in the Gulf of Venezuela, near the maritime border with Colombia and in front of the island of Aruba.

Opening the new location. *Reuters* reported that the first ship scheduled to receive oil in Los Monjes area would be the Cape Bella V, which has been kept waiting in Venezuelan waters. The ship plans to load one million barrels of Venezuelan heavy crude oil Merey for an unidentified destination.

Goodbye Venezuela, hello Canada (I). According to *Bloomberg*, *Reliance Industries*, owner of the world's largest refining complex, signed an agreement to buy two million barrels of Canadian heavy oil per month over the next six months.

Goodbye Venezuela, hello Canada (II). According to data collected by the agency, Venezuela has been Reliance's third largest crude oil supplier so far this year. The foregoing evidences *Reliance's* intentions to decrease its trade with Venezuela to avoid repercussions from the sanctions imposed by the United States.

SECTORIAL TIPS

Betting at the end of November. Sources from the Venezuelan aeronautical sector informed to *Banca y Negocios* that the most probable scenario is a partial opening of the sector as from the end of November with the routes of highest demand at national level.

The only sure thing is uncertainty. National airlines with international operations are considering schemes to reactivate traffic to their foreign destinations, but the sources consulted indicate that this is a more difficult goal.

Meanwhile, unregulated flights. According to a report by *VPI TV*, Juan Bracamonte, executive president of Avior Airlines, met with members of Nicolas Maduro's administration and with commercial allies, to "propose some unregulated flights ordered for November and December".

Avior is ready. According to the news agency, the meeting was attended by 300 travel agencies and 1500 people from the sector. Bracamonte assured that "Avior can open 20 flights to Bogotá, as well as 10 flights to Manaus, six flights to Peru and another 20 to the Dominican Republic, as well as make 39 domestic flights Caracas-Barcelona".

Like Colombia. Avior's proposal is to open regular operations as of December 15; however, the initial non-scheduled flights (described above) may serve as a pilot plan, a test process similar to that carried out in Colombia, Bracamonte added.

A more efficient system. The second vice-president of Fedecámaras, Fernando Cepeda, argued that, with the return of the gasoline supply plan by plate number, an "order" will be established in the face of so many inconsistencies in the service stations in the interior of the country.

Willing to open. Cepeda also raised the possibility of businesses opening their doors daily, maintaining biosecurity measures and with a reduced number of people in their facilities.

More vegetarians? Unlikely. José Agustín Campos, president of the National Confederation of Farmers and Ranchers (Confagan), reported that annual meat consumption in Venezuela fell from 24 kilos per person, a decade ago, to 10 kilos per year.

The usual suspect: lack of gasoline. Campos pointed out that the production of meat in the country covers between 40% and 50% of the national demand and added that the sector has contracted in recent months due to the shortage of fuel.

Not so bad. The President of Confagan remarked that even in the midst of restrictions, the Venezuelan meat industry produces enough to supply the domestic market and export to other countries, among other things, because Venezuelans have reduced purchases of this item.

Top 7 of 14... Campos also said that, despite the contraction in the sector, and the restrictions denounced by different unions, Venezuela remains among the top places in the ranking of meat producers in Latin America, occupying the seventh place behind countries like Mexico, Colombia, Argentina, Brazil and Uruguay.

The worst is yet to come. During an interview with *El Impulso*, the presidents of the Chambers of Industry, Commerce and Taxation of State of Lara agreed that the last quarter of 2020 will be the most critical in the last two decades.

Four reasons. Lara's sector leaders emphasized four factors: the collapse of public services, the acceleration of hyperinflation, the lack of definition of economic programs, and the inactivity caused by restrictive measures as a result of the pandemic.

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New electrical devices... The National Executive, together with the Ministry of the Popular Power for Agricultural Production and Lands and the Bank of Venezuela, made the first delivery of 50 bio-payment devices to carry out transactions in petro or bolívares and thus facilitate the direct acquisition of agricultural inputs by producers in the stores Agropatria, Insai, Bodelta and Agrobueyca.

...but there is no electricity. In response to this program, Fedegro's executive director, Pedro Vicente Pérez, warned that the constant power failures in the country's agricultural regions make it impossible to pay for inputs in petro.

Transfers and more transfers. The Carnet de la Patria platform started the delivery of the "100% Schooling" transfer corresponding to October, which amounted to VES 240,000, equivalent to USD 0.54 as of October 8.

INTERNATIONAL TIPS

COVID-19 in the world. According to figures published by the World Health Organization (WHO) as of October 8, the number of positive cases of coronavirus reached 36,156,226 and the number of deaths was 1,055,683.

Disappointing figures. The U.S. Department of Labor reported that 661,000 jobs were created in September, down from 1,489,000 the previous month. It was also reported that the U.S. unemployment rate fell from 8.4% to 7.9%.

"Tik tok tik tok". Reuters sources indicated that Britain and the European Union will continue trade talks until the bloc leaders' summit is held on October 15 and 16.

Divorce problems. The EU's chief negotiator at Brexit, Michel Barnier, said that the latest round of trade talks with the UK presents "*persistent and serious divergences on issues of great importance*" to the bloc.

Agreements and disagreements. Barnier indicated that further progress has been made on aviation security and the safeguarding of fundamental rights; however, there has been no progress on personal data protection or on the pricing of pollutant emissions.

Key points. In the statement, Barnier added that any agreement with the UK should include guarantees for a level playing field for fair competition, including state aid, mechanisms for resolving disputes, and a fisheries agreement.

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The perfect storm. According to research by Baker & McKenzie, the combination of the pandemic and the absence of a post-brexit trade agreement with the European Union could cost the UK around GBP 134 billion (USD 174 billion) per year in lost GDP over a decade.

Discounts to COVID-19. The European Union's statistics office, Eurostat, reported that consumer prices in the 19 countries that share the euro fell 0.3% year-on-year in September, an increase of 0.1% from August, the lowest level in more than four years.

Good news, but not so good. Japan's final Purchasing Managers' Index (PMI) for September, compiled by Jibun Bank, rose to its highest level in eight months: 46.9 points in seasonally adjusted data, compared to 45.0 in the previous month; however, that level still indicates a contraction in service sector activity (down from 50).

Better expectations. The International Monetary Fund (IMF) revised upwards its 2020 economic outlook for Brazil and forecasts that Latin America's largest economy will contract by 5.8% this year, below the 9.1% drop originally projected, and grow by 2.8% in 2021.

The road ahead is still dangerous. However, the IMF warned that risks remain "exceptionally high and multi-factorial" in Brazil, and that the government's debt is on track to end the year at around 100% of GDP.

Pesos for dollars. According to sources consulted by *Reuters*, Colombia plans to substitute part of the financing planned for this year in dollars by issuing debt in local currency, approximately COP 5 trillion (USD 1.288 billion).

Until November. According to the sources, the Ministry of Finance will extend until November the placement of internal public debt titles TES via auctions to issue the amount foreseen. The TES are the second source of internal financing of public expenditure, after tax collection.

Good news for 2022. After the IMF approved a credit of USD 6.5 billion for Ecuador, the Minister of Economy of that nation, Richard Martinez, assured that the agreement with the multilateral organization includes the approval of a tax reform next year, which, together with other structural measures, would allow the country to obtain a modest fiscal surplus in 2022.

Going up in Uruguay. According to Uruguay's National Institute of Statistics, retail prices in the Latin American country rose by 0.64% in September from the previous month, accumulating a 9.92% increase over the last 12 months.

POLITICAL TIPS

Tied match. Juan Guaidó celebrated the ruling of the London Court of Appeal on the ownership of the 31 tons of Venezuelan gold stored at the Bank of England, since, according to a statement, "*Maduro did not achieve its goal and still does not have access to the gold of the Venezuelans*".

With a move that could go wrong. Vanessa Neumann, Juan Guaidó's representative in the United Kingdom, stated in a press conference that the Court of Appeals' ruling will probably harm the Maduro government, since Boris Johnson's government could break diplomatic ties at any time in the middle of this process.

Mission not accomplished. 22 member countries of the United Nations Human Rights Council voted in favor of the renewal for two years of the Independent International Fact-Finding Mission that investigated and documented human rights violations in Venezuela.

Supporting Human Rights. Only Eritrea, the Philippines, and Venezuela voted against the mission, while Mexico, Brazil, Argentina, and Chile are among the nations that supported the continuation of the investigations led by Michelle Bachelet.

Even more political prisoners. On October 6, the NGO Venezuelan Penal Forum published a report revealing that there are currently 359 political prisoners in the country, 26 more than a month ago. Among those detained are 232 civilians and 127 military personnel. Of this total, 335 are men and 24 are women.

They protested about their health. On October 5, workers in the education sector participated in various protests in the municipality of Baruta and other places in the capital such as Plaza Caracas, Plaza Morelos and La Candelaria. The object of the protests is to reject the opening of the educational centers while the distance learning classes last.

Possible humanitarian bonus for the education sector. One of the demands of the protest was to increase the low salaries of teachers, particularly in public educational institutions, to which Juan Guaidó responded that the request had already been made to Parliament and that efforts would continue until the benefit, estimated at USD 100 for three months, was achieved.

Borrell is losing hope. The High Representative of the European Union for Foreign Affairs, Josep Borrell, in an interview for La Voz de Galicia, said that the holding of

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parliamentary elections without conditions *"are a further step towards de-institutionalization"*.

Dialogue on demand. The European diplomat clarified that his negotiations with the government of Nicolás Maduro began *"at the request of the opposition"*. He added that *"The Venezuelan government does not want to delay the elections. It is its right, but under these conditions we cannot send an electoral observation mission"*.

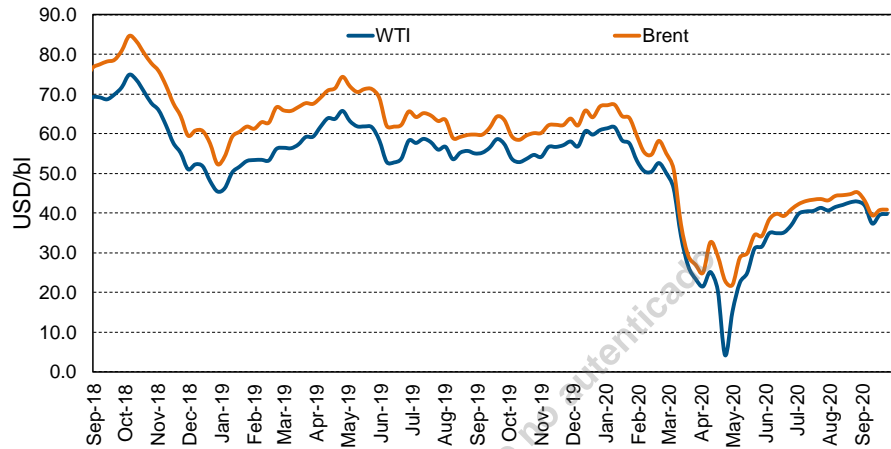
What will happen with the Anti-Blocking Law? On October 4, Nicolás Maduro called for the approval of the Anti-Blockade Law project that he submitted to the National Constituent Assembly on September 30. He declared that *"I need the law, we need the law. I ask for an in depth debate and that they correct what needs to be corrected, but Venezuela needs the law soon. I am asking for extraordinary help"*.

What is the use of the "consulta popular"? Article 70 of the Constitution establishes the consultation as one of the *"means of participation and protagonism of the people in the exercise of their sovereignty"*; however, the political crisis may reduce this mechanism to a symbolic element.

Is it or should it be binding? The result produced by the popular consultation of the National Assembly is binding (it must be complied with by the authorities of the public power) in political terms, but it is not necessarily feasible or effective.

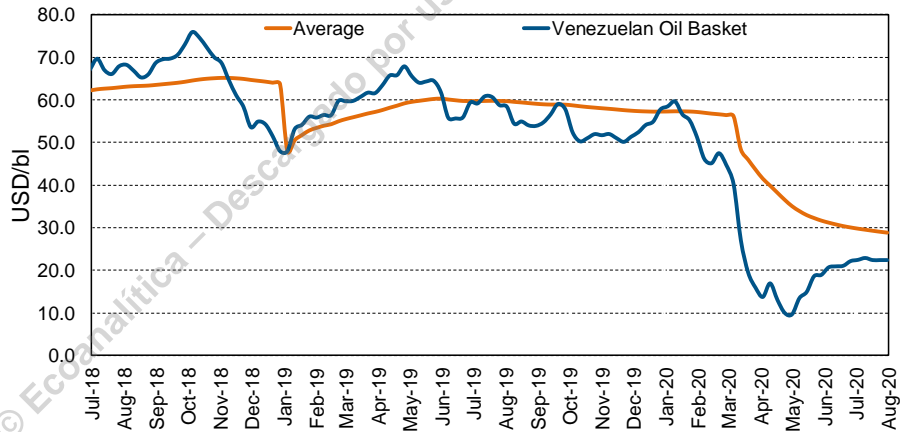
ECONOMIC INDICATORS

**Oil Prices
(WTI and Brent)**



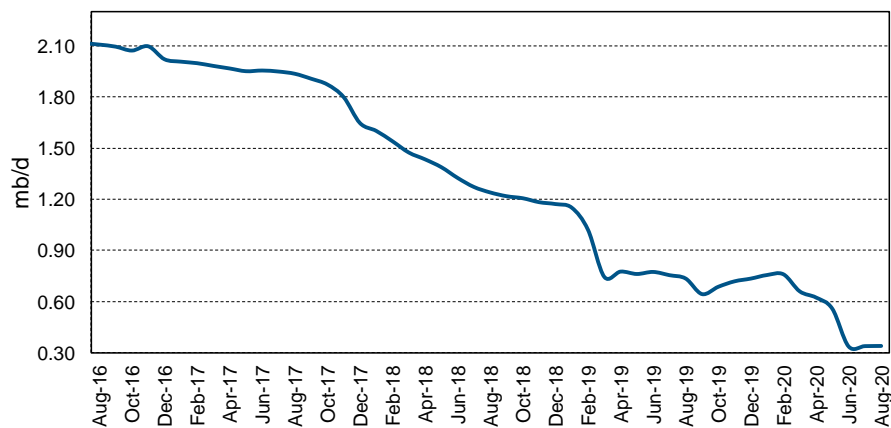
Sources: Menpet and Ecoanalítica

**Oil Price
(Venezuelan Basket)**



Sources: Menpet and Ecoanalítica

**Oil Production
(Secondary sources)**

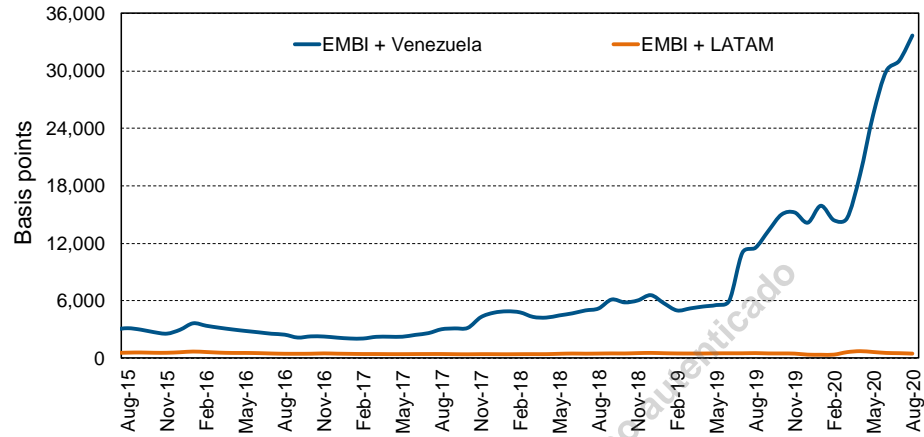


Sources: OPEC and Ecoanalítica

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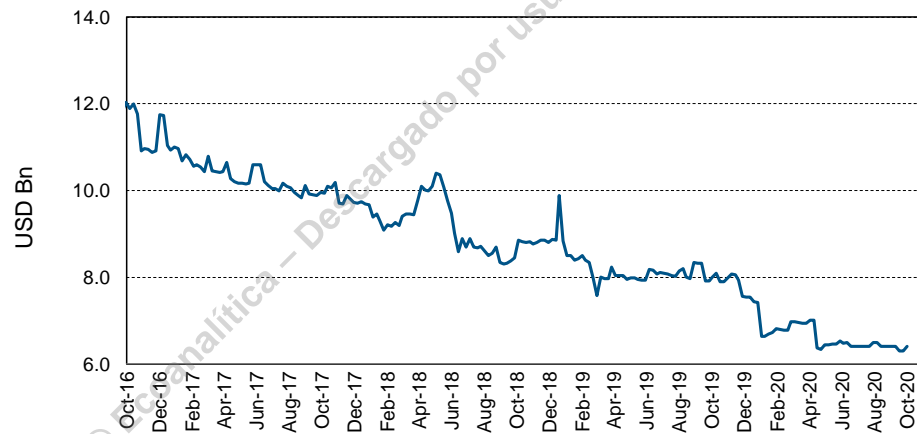
ECONOMIC INDICATORS

EMBI



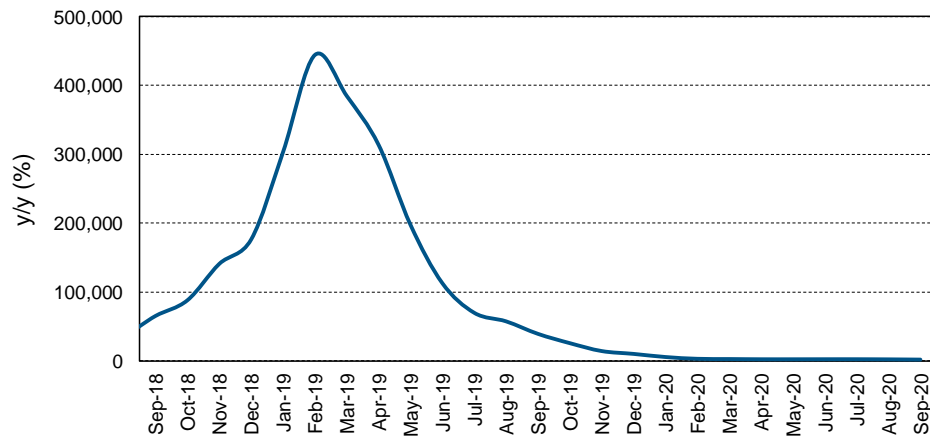
Sources: BCRP and Ecoanalítica

FX Reserves (BCV)



Sources: BCV and Ecoanalítica

Inflation (BCV)



Sources: BCV and Ecoanalítica

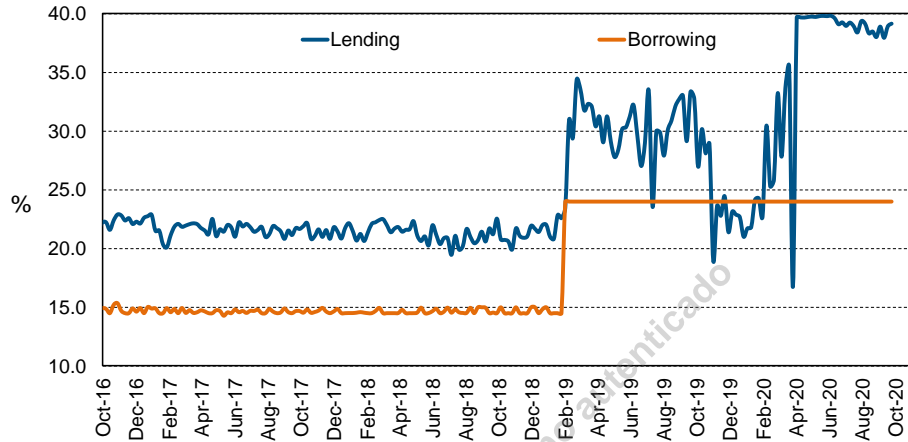
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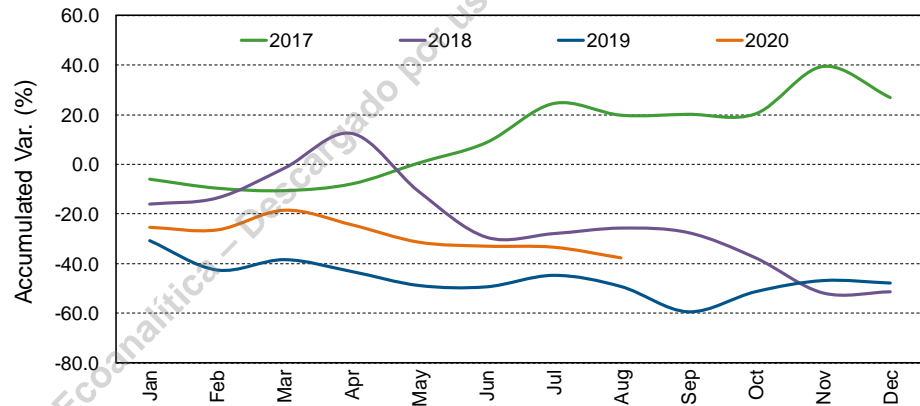
ECONOMIC INDICATORS

**Interest Rate
(Six major banks)**



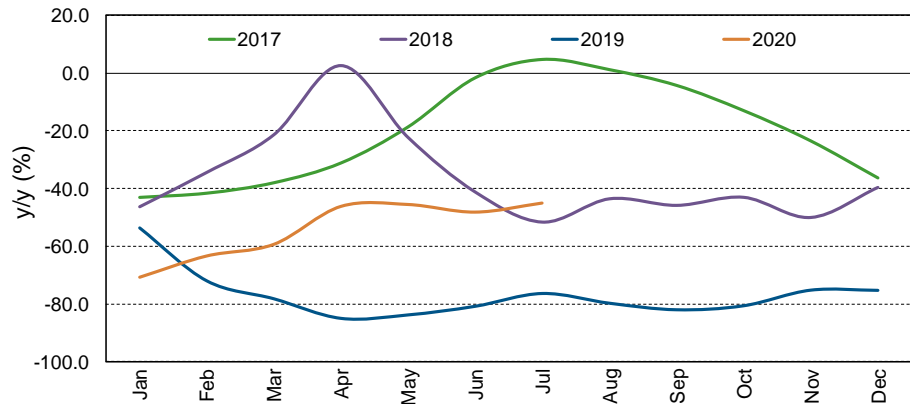
Sources: BCV and Ecoanalítica

**M2 Expansion
(Real)**



Sources: BCV and Ecoanalítica

**Loan Portfolio
(Real)**



Sources: SUDEBAN and Ecoanalítica

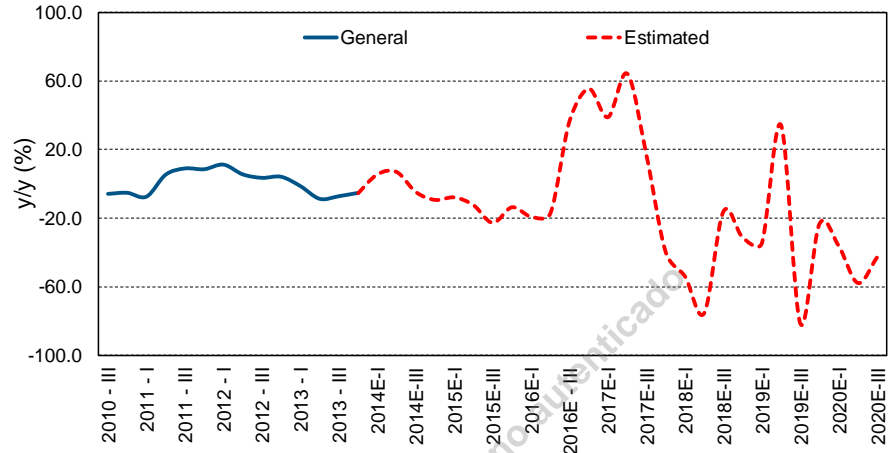
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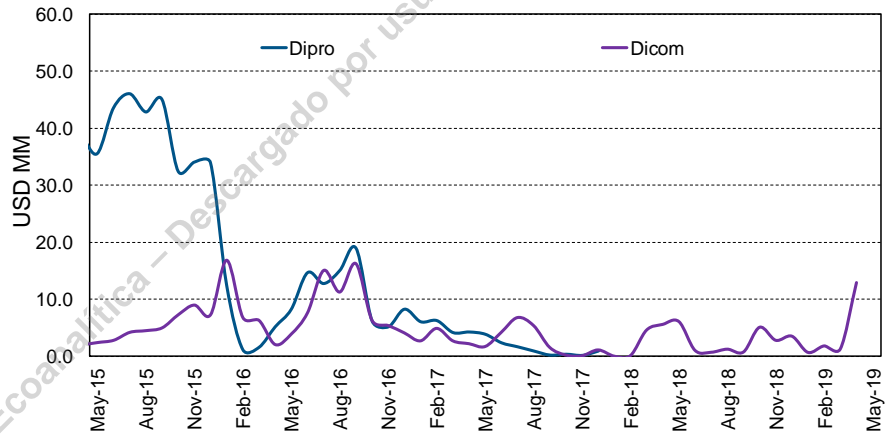
ECONOMIC INDICATORS

Real Wage Index



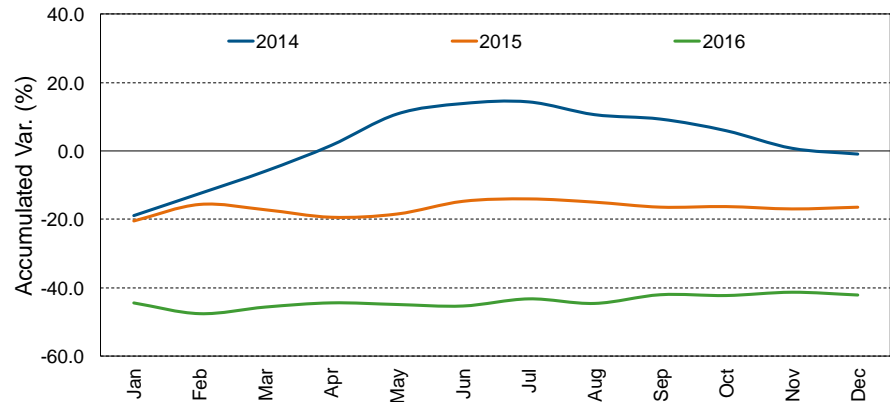
Sources: BCV and Ecoanalítica

Disbursements to the Private Sector (Daily Average)



Source: Ecoanalítica

Primary Spending NTO (Real - Central Government)



Sources: ONT and Ecoanalítica

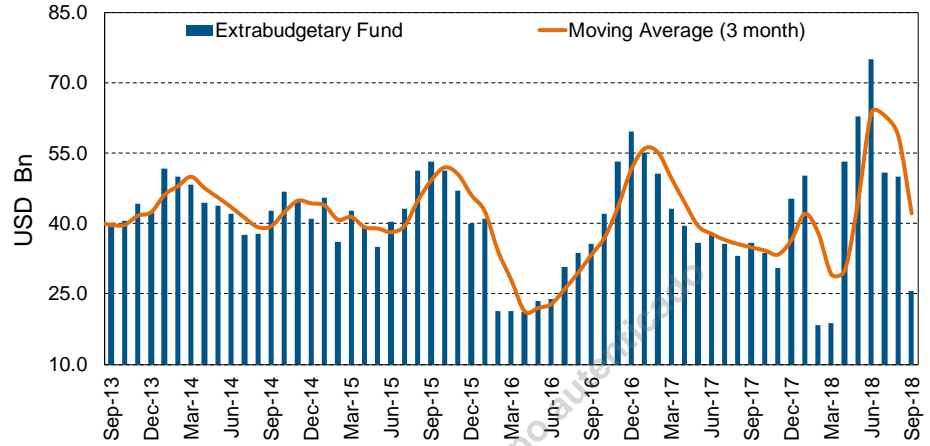
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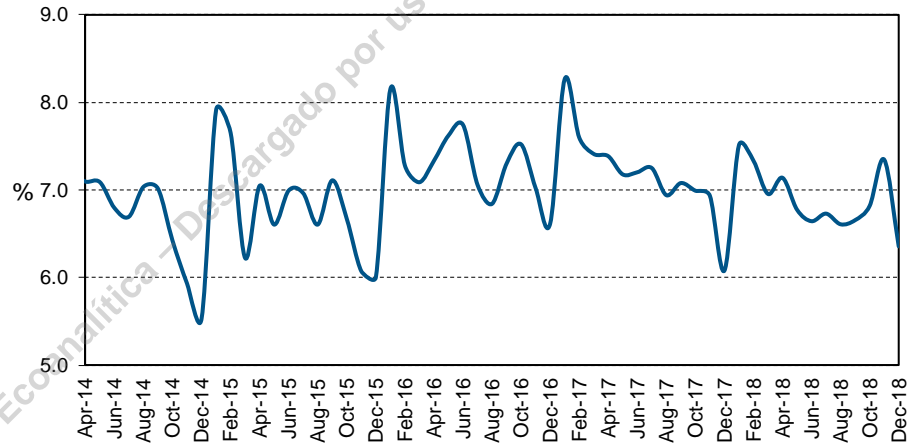
ECONOMIC INDICATORS

State Extrabudgetary Resources



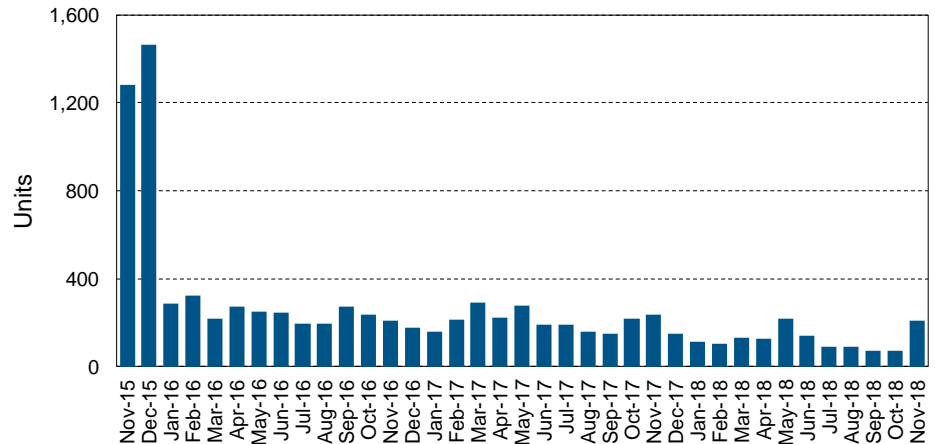
Source: Ecoanalítica

Unemployment Rate



Sources: INE and Ecoanalítica

Vehicle Sales



Sources: CAVENEZ and Ecoanalítica

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(+58 212) 266 9080 / Fax (+58 212) 266 5119 / RIF J-31130403-7

ECOANALÍTICA'S TEAM

Asdrúbal Oliveros / Director

asdrubalo@ecoanalitica.net / @aroliveros

Pedro Palma / Director

pedrop@ecoanalitica.net / @palmapedroa

Cristina Rodríguez / Director

crisinar@ecoanalitica.net

Luis Arturo Bárcenas / Senior Economist

luisb@ecoanalitica.net / @barcenasluis

Giorgio Cunto Morales / Economist

giorgioc@ecoanalitica.net / @giorgiocunto

Corina Fung / Economist

corinaf@ecoanalitica.net / @corinafung7

Jhoan F. Castellano / Economist

jhoanc@ecoanalitica.net / @castellanojhoan

RESEARCH ASSISTANT

Diego Santana

Diego Almau



CONTACT US

Venezuela: (+58-212) 266 9080/ Fax: (+58-212) 266 5119

Estados Unidos: +1 (212) 994.1850

Ventas@ecoanalitica.net

www.ecoanalitica.com

@ecoanalitica