

Who are the winners in a transition?

By the end of 2019 the Venezuelan economy will have completed its sixth year in recession, having accumulated a contraction of 39.1% according to **Ecoanalítica's** estimates. A depression of this magnitude, added to an episode of hyperinflation, international isolation, collapse of the State's physical and institutional capacity, an exodus of 5 million¹ people and a prolonged political conflict, does little to calm reasonably held pessimistic expectations regarding the future of Venezuela's economy in the short and medium terms.

Despite the deepening of the crisis, there is an extensive debate among the country's citizens and in political, business, and political circles imagining and planning for "transition" scenarios or a major change in the direction of the local economy, usually preceded by a solution to the political conflict and changes in the makeup of the government.

At **Ecoanalítica** we consider that the political situation will maintain its status quo in 2020, without any major changes that would permit a sufficiently substantial change on the economic front for allowing Venezuela to return to the path of growth in the coming year. However, this does not mean we cannot analyze what the dynamics to be experienced by several participants in the economic life of the country would be in a transition scenario in the medium term, at least in terms of the trends indicated by the economic inertia of the past few years.

Two (or more) transitions

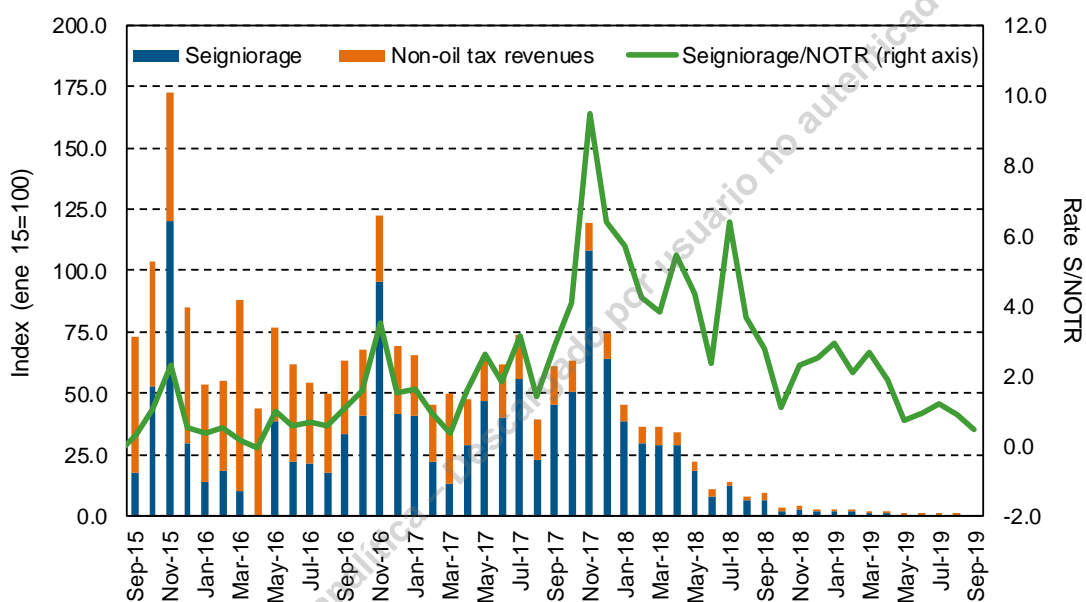
For this analysis we will refer mainly to *transition* from the economic standpoint or, more specifically, the change from a state of contraction to one of growth. The particular conditions of this transition, especially its political aspect, are difficult to predict with any certainty. That variable, allows us, then, to define a spectrum or range within which we can get an idea of economic adjustment scenarios that are reasonably likely in the medium term.

¹ According to projections by United Nations (UN) for the end of 2019

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On the one hand we have *superficial transition* or a continuation of the adjustment the Venezuelan Government has been promoting since January² this year, consisting of a disorderly reduction in the fiscal deficit by means of a contraction in real public spending³ in the interests of curbing upward pressures on the exchange rate and prices. This will be our base scenario for next year.

Expenditure approximation (according to the sources)



Sources: BCV and Ecoanalítica.

This, added to a *de facto* lifting of some controls, has become a situation that, in 2018, seemed improbable: what is, in practice, a unification of exchange rates, fiscal austerity, and acceptance by some authorities of the emerging process of dollarization. As we have explained in previous reports⁴, these adjustments have recessive effects and their purpose seems to be more focused on maintaining the political stability of the governing coalition than forming a coherent plan for reviving the economy.

At the other end of the spectrum we have what we could call a *deep transition* or one that occurs in the context of a substantial change in direction on the political front with the intention of implementing a stabilization and macroeconomic reform plan with

² Although it could be considered that its initial precepts were defined by the announcement of the Economic Recovery, Growth and Prosperity Plan on August 22, 2018.

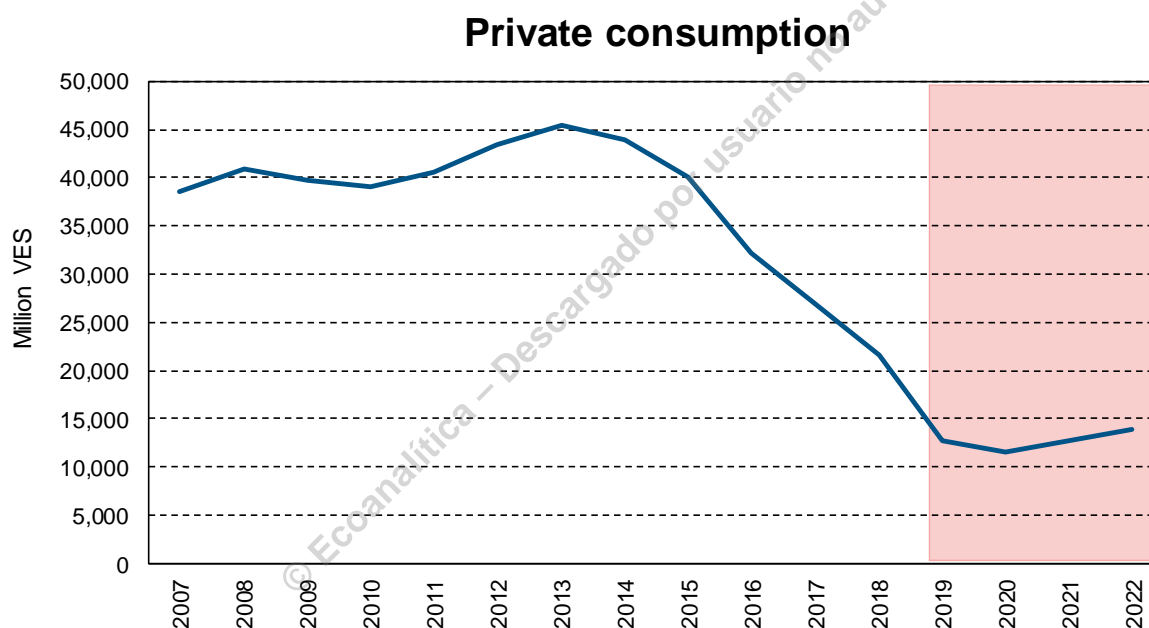
³ Limiting seigniorage and monetization of the deficit in the process

⁴ Weekly Report Number 29, 2019: A year on from the “New Economic Start”

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international assistance. To do these structural adjustments would be needed that would require a considerable degree of coordination among the main economic and political actors in addition to obtaining the resources to cope with massive financing needs.

Between these two extremes we could come up with a wide range of potential political agreements, which, in turn, would result in different extensions of the economic reforms. However, the pressures behind both extremes⁵ point to the same set of global objectives: putting an end to hyperinflation and creating the conditions for stabilizing and increasing consumption, which would have immediate ramifications for a significant number of economic sectors.



Sources: BCV and Ecoanalítica.
 Note: The shaded area are projections.

⁵ And, by extension, to any other arrangement within that space of time

Who are the winners in the transition?

At the start of a transition not all sectors will have the same opportunities for growth. Elements such as having available production capacity, target markets, facility for responding to a progressive growth in demand, exposure to external competition, and the space they occupy in the “scale of priorities” for reactivating the domestic production apparatus will be decisive for “*success*” during this transition.

So, we could refer to sectors that cater to the following areas or meet the following conditions:

- **Basic needs:** It can be expected that priority will be given to meeting the demand for essential goods for the subsistence of the Venezuelan population, particularly those segments that are in a situation of humanitarian emergency. Food, medicines and personal care items are the main products of this type.
- **Non-tradables:** Goods or services that must be procured locally and cannot be easily imported, such as banking, insurance and telecommunications.
- **In the oil and energy value chains:** Despite the deterioration it has suffered in recent years, the oil industry will continue to be the axis of the Venezuelan economy and the main recipient of investment in transition scenarios, even when those investments may take a long time to materialize. Direct production and complementary services will play key roles on the agenda.
- **Making use of business sector assets:** A transition where more opportunities open up for foreign capital would imply the entry of companies and business groups that would seek to acquire installed capacity in order to set up business in the country. Local actors for whom it would be profitable to join a conglomerate with foreign support or to sell them their assets could benefit here. Assets associated with manufacturing would become extremely relevant.
- **Areas associated with infrastructure:** The backwardness of and deficit in Venezuela’s infrastructure, particularly in the provision of public services, would receive attention from both the authorities and other sectors.
- **The procyclical response:** Sectors that behave similarly to the market they occupy or are driven by growth in that market could experience growth as a result of inertia. The housing and business real estate sector could take advantage of

investments that are already under way⁶ by aligning them with positive responses to the market.

To sum up, the sectors and participants most likely to benefit from a transition are those whose development is a *prerequisite* for carrying out other activities. Looked at from another standpoint, pressures from both the market and the authorities will be focused on dealing with the elements whose progress “clears the path” for getting more sophisticated operations back to normal. The continuous supply of energy⁷ would be a good example of this kind of dynamic.

Changes in paradigm

“They asked for gradualism. That, in practice, meant subsidies and protection for the interests they represented and a shock for the rest of the country.”
-Moises Naím⁸

In broad terms, these trends can be explained by the capacity firms have to adapt to a transition environment. One challenge posed by this process is that, regardless of the type of transition that occurs, economic agents are forced to abandon what, with hindsight, were harmful practices commonly engaged in for decades.

The institutional framework that has become consolidated since the 1970s and was expanded to its maximum expression under the *Chavista* administration has destabilized the way business is conducted almost irreversibly. Discretionary administration of oil resources by the Venezuelan State created rentist incentives where the preferences of businessmen⁹ were to give priority to allocating resources in order to take advantage of the constant changes in game rules introduced by the government, forgetting about innovation and improving productivity¹⁰, and much more so if this could result in having direct access to the rents shared out by the government. The foreign exchange subsidy for the private sector is an example that illustrates this. Between 2005 and 2018 USD 149.31 billion were, in effect, “given away” to the private sector as a result of the foreign exchange differential via different foreign currency rationing mechanisms implemented by the government.

⁶ Driven in part by the difficulties companies encountered in the past when it came to repatriating their profits

⁷ Clearly observed with the increase in businesses offering power generators in the situation of power outs

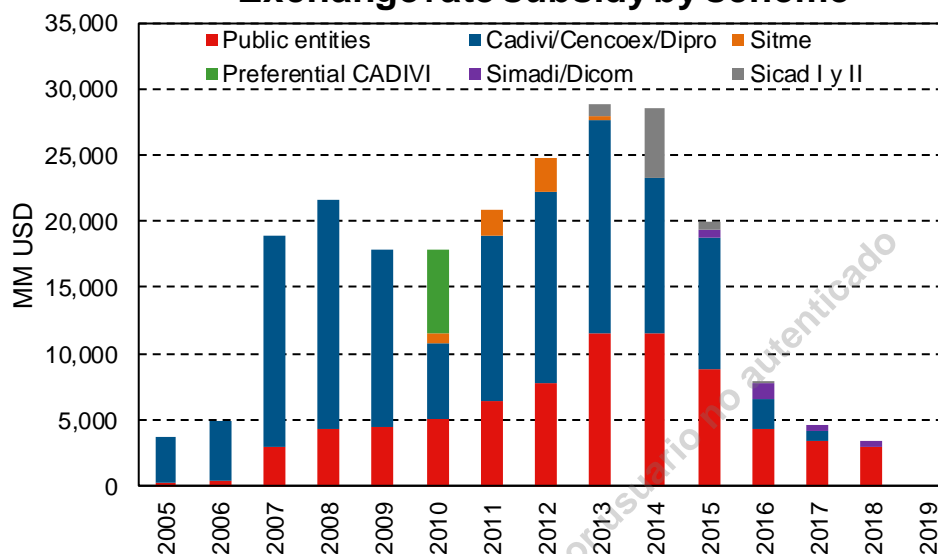
⁸ Rivero, M. (2011a, May 14). Moisés Naím interview, with Mirtha Rivero. Retrieved November 21, 2019, from <http://historico.prodavinci.com/2011/05/14/prodavinci/entrevista-a-mois-es-naim-de-la-rebelion-de-los-naufragos-por-mirtha-rivero/>

⁹ And essentially any other civil group in Venezuela

¹⁰ García Larralde, H (2017). Economic Transition: Aspects of Political Economy.

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Exchange rate subsidy by scheme



Sources: BCV and Ecoanalítica

Viewed in strictly rational terms, it was much more profitable¹¹ for a company to focus its efforts on taking advantage of rent distribution mechanisms than on consolidating its capacity for surviving in an environment where those mechanisms were no longer sustainable.

By 2018 the foreign exchange subsidy was 12.1% of what it was in 2014 (USD 28,496 million) and by 2019 it no longer existed. This falling off in the foreign exchange subsidy has been apparent in practically the majority of subsidies and transfer mechanisms implemented by the government. Despite the preferences and resistance on the part of sectors of interest that are opposed to the dismantling of protectionist and subsidy structures, reality makes it clear that, in a transition, the State would not have sufficient capacity to sustain schemes of this kind, much less when they mean significant opportunity costs in terms of attending to the revival of a poverty-stricken and unproductive economy.

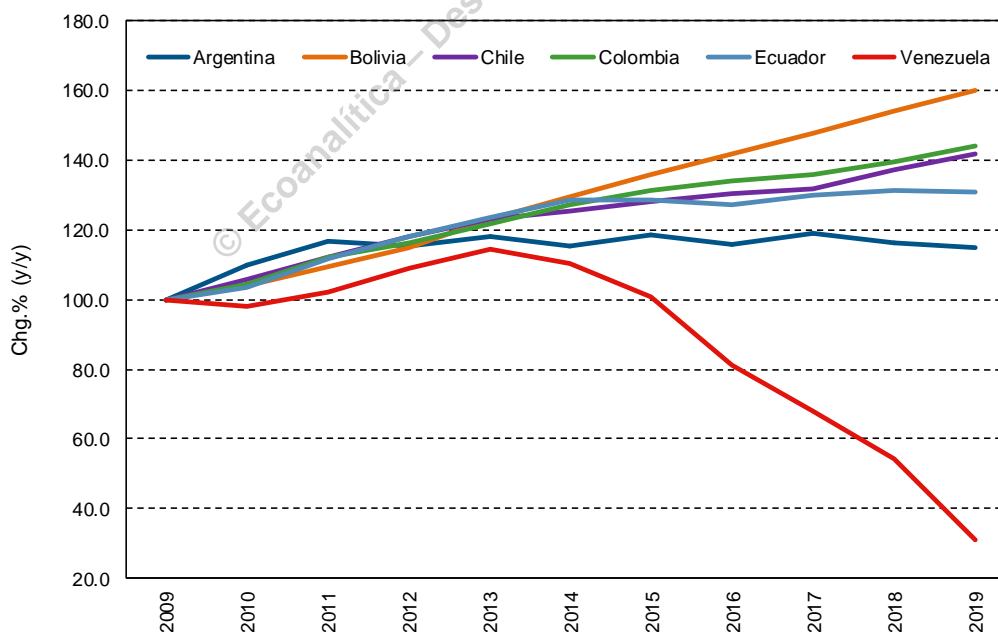
¹¹ And sometimes was the only way to operate somewhat normally

What can we expect and what should we fear?

The time for and the conditions of an economic transition in Venezuela seem to be diffuse and somewhat distant. The avenues of development mentioned earlier are showing signs of life in the adjustments that are beginning to shape economic relations in the country. However, the political component is not a trivial one that will end up defining how far the adjustments accompanying a transition will go and whether those adjustments can be fully implemented.

The recent disturbances in the political stability of Latin America, particularly in Argentina, Chile, Ecuador and Bolivia, speak to the difficulties the authorities face when the population's expectations are frustrated, even when those expectations far exceed what can be achieved in practical terms within a short space of time. So, a challenge facing any process of transition in Venezuela¹² will be handling an impoverished population's expectations for rapid improvement after having experience the worst economic contraction in the continent.

Cumulative growth in Latin America (2009 - 2019)



Sources: IMF, BCV and Ecoanalítica.

¹² Particularly if this is accompanied by the government

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If these demands are not kept within reasonable bounds, the risks of a reversal of the reforms and adjustments that will permit the recovery of the economy in the first place will increase, particularly if they are counteracted by groups of interest bent on maintaining quotas that generate distortions or bottlenecks in the recovery process.

As for private business, it too must curb its expectations. Given the extent and predictable prolongation of the deterioration in Venezuela's economy, it is to be expected that its recovery will be a slow and difficult process. The priority for companies should be to maintain their market niche and, little by little, grow with it while economic conditions (wages, foreign exchange and price stability, and investment) improve.

It is unlikely that Venezuela will go back to being the economy it was prior to the Bolivarian era. Its stationary equilibrium is that of a smaller nation and private business must adapt to this new reality. So, the real transition, if possible, will consist of achieving economic growth and maintaining it for more than a generation.

Giorgio Cunto
Diego Santana

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WEEKLY INDICATORS

Weekly Economic Indicators			
	3rd Week November	Weekly chg. (%)	Depre/Apre (pp) ¹
FX Boards (VES/USD) ²	30,435.05	3.6	3.5
	2nd Week November	Weekly chg. (pp)	Annual chg. (pp)
Lending Interest Rate (%)	23.6	4.7	2.5
	3rd Week November	Weekly chg. (pp)	Annual chg. (pp)
Overnight Interest Rate (%)	219.6	61.5	204.5
	2nd Week November	Weekly chg. (%)	Annual chg. (%)
International Reserves (USD Bn)	8.0	-8.5	-0.3
	1st Week November	Weekly chg. (%)	Annual chg. (%)
Monetary Liquidity (MM VES)	24,522,477	3.8	3,788,968.1
Price of International Oil Baskets (USD/bl)			
	2nd Week November	Weekly chg. (%)	Annual chg. (%)
WTI	56.7	0.0	-1.8
Brent	62.3	0.2	-8.0
Price of the Venezuelan oil basket (USD/bl)			
	2nd Week November	Weekly chg. (%)	Annual chg. (%)
Weekly Average	51.0	-1.9	-16.5
Annual Average	57.7	-0.3	-11.2

Sources: BCV, MENPET, ONT and Ecoanalítica

* Annual variation of accumulated expenditure.

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

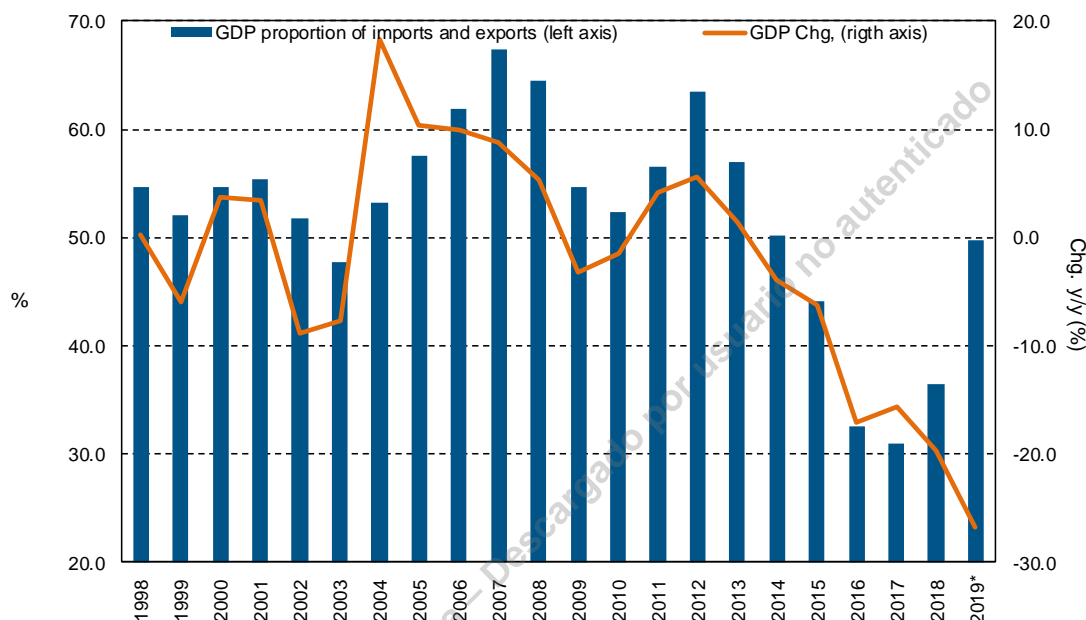
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CHART OF THE WEEK: “WORSE OFF THAN BEFORE: WEAK AND VULNERABLE”

GDP proportion of imports and exports



Sources: BCV and Ecoanalítica.

*Calculations for 2019 were made with information from the first quarter of the year.

Historically, Venezuela has focused most of its capital and efforts on the oil industry, abandoning the production of certain goods the population needs on a day-to-day basis. Besides that, the government has encouraged both oil and nonoil imports rather than domestic production by implementing mechanisms such as the foreign exchange subsidy. This has resulted in Venezuela having to depend to a significant degree on the rest of the world, trading oil for other goods and services it is either not capable of producing or does not want to produce.

This dependency has resulted in Venezuela being vulnerable to external shocks, such as changes in oil prices, new trade dynamics or changes in the supply and demand of our foreign trading partners. More specifically, Venezuela's imports and exports represented 52.3% of GDP between 1998 and 2018. In recent years, this dynamic was less, averaging 33.3% between 2016 and 2018, making Venezuela less vulnerable; although this changed in the first quarter of 2019 when, as a result of a 26.8% drop in GDP year-on-year, the proportion of exports and exports in GDP went up to 49.8%, similar to pre-2014 levels. Last of all, between 2013 and 2015 the drop in imports and exports was bigger

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than the drop in GDP. On the other hand, during the period 2017-2019 the economic dynamic was marked by a more pronounced contraction in GDP and import activity was less affected (presumably favored by the real appreciation of the exchange rate).

This new trade dynamic could be due to a number of phenomena that have been occurring in 2019, such as the new Foreign Exchange Agreement and emerging dollarization, which have facilitated trade with other countries. However, the factor that has contributed most are the sanctions imposed by the United States, which, by trying to isolate Venezuela from the rest of the world, have made our country rely even more heavily on trading partners such as India, Russia and China. This is making us much more vulnerable to external events, with a smaller economy and less capacity for responding to these changes.

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ECONOMIC TIPS

A change of opinion. In spite of the pressure brought to bear by the regime to discourage transactions in foreign currency and the regime's many differences with the United States, in a television interview Nicolás Maduro revealed that his opinion had changed with regard to the de facto dollarization that is occurring in Venezuela.

“Thank God.” In the interview he said he did not disapprove of this development and argued that it was acting as a “relief valve” that could benefit the economy and contribute to the process of recovery that the forces of production need.

The contraction continues. The National Assembly published a report in which it states that the Venezuelan economy had contracted by 43% in the third quarter compared to the same period last year. It also states that prices went up by 20.7% in October, less than in September. The report puts inflation for the year to date at 4,035.2% and at 24,312.5% for the past 12 months.

It continues to climb. The Center of Documentation and Analysis for Workers (CENDA) published that the cost of the food basket came to VES 4,252,899.53 in October and that 14.2% more money was needed to purchase it than in September.

It's not enough. It also stated that the increase in the minimum wage was not enough to cover the cost of the food basket, given that the VES 528,509.28 increase in its cost from the previous month was equivalent to 3.5 minimum wages (explaining that this calculation was based on the VES 150,000 allocated to the meals allowance).

Support in another currency. Anonymous sources informed Reuters that in October the Central Bank of Venezuela sold approximately one million euros to the country's main private banks and doubled the amount of euros it handed over to the smaller banks.

Ignoring the new rules. Even though it had been established that payment for the services provided by the Administrative Identification, Migration, and Immigration Service (SAIME) were to be made in Petros, this week SAIME published “the new merits,” referring to the charges for passports and passport extensions, which are still posted in bolivars and are equivalent to USD 200 and USD 100, respectively, at the official exchange rate.

Diminishing international reserves. In the week of November 15, the international reserves closed at USD 8.05 billion, down 0.3% compared to the close of the previous week (November 8). Compared to a year ago, this gave a drop of 9.0%.

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Money supply. Money supply came to VES 24.52 trillion in the week of November 8, down 3.79% in nominal terms compared to the previous week and 9,326% higher than in the same week last year.

OIL TIPS

Ghost ships, Part I. According to an investigative article by Bloomberg, the Venezuelan Government is secretly exporting millions of barrels of oil. The agency revealed that the oil tanker Dragon, of Liberia, sailed in Venezuelan waters under contract to the Russian state-owned oil company, Rosneft, with 2 million barrels on board. According to the data from the ship's transponders, its signals stopped before the tanker entered Venezuelan waters.

Ghost ships, Part II. Bloomberg points out that the measure, far from being accidental, seems to be a practice engaged in by an increasing number of ships. The data available to Bloomberg suggest that tankers turn off their signal before reaching Venezuelan waters in order to avoid being detected and to be able to ship the oil without falling foul of US sanctions.

Twice the volume shipped in October. Using this technique, the Nicolás Maduro regime presumably managed to ship 10.86 million barrels a day (m/b) in the first 11 days of November, twice the volume shipped over the same period last month.

A common practice. According to TankerTrackers, approximately 60% of Venezuelan oil exports in October were done on the sly. The automatic identification systems (AISs) of these tankers were never activated during the time they were in Venezuelan waters.

Selling directly to the public. The world's largest oil company, Saudi Aramco (of Saudi Arabia) announced that it intended to sell 1.5% of its shareholding valued at USD 25.6 billion in December in its public offering. This would put the value of the company at USD 1.7 trillion.

We don't negotiate with hackers, Part I. The giant Mexican oil company, Pemex, said it would not pay the ransom of 565 Bitcoins (equivalent to USD 5 million) demanded by hackers who attacked its network. The attack forced the company to shut down its employees' calculation equipment throughout the country, putting the company's payment systems out of commission, among other things.

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We don't negotiate with hackers, Part II. Despite this, the Secretary of Energy said, *"The plants are operating, the wells are working, the ships are sailing. It's administrative,"* which means that they will continue to operate without paying the ransom.

Contrary to expectations. Even though oil prices were going up, publication of the report by the Energy Information Agency (EIA) caused them to slide. This was due to the fact that the United States posted its eighth increase in crude stocks in the past nine weeks.

BUSINESS SECTOR TIPS

The new era of credit. The Superintendency of Banking Sector Institutions (Sudeban) announced an increase in the daily amount for point-of-purchase operations to VES 50 million and the ceiling on financing via credit cards to VES 10 million. The press release also mentioned the minimum for credit cards of 20,000 tax units, equivalent to VES 1 million.

Times 10. The last adjustment was on July 4 this year, when Superintendent Antonio Morales gave orders to the banks to set the minimum daily amount for point-of-purchase sales at VES 5 million.

Ranked in fourth place. According to the United Nations Food and Agriculture Organization (FAO), Venezuela is the country in the region with the fourth highest neonatal mortality rate, with 19.8 deaths for every 1,000 births, only behind Haiti, Dominica, and the Dominican Republic. The infant mortality rate for the under-fives is even higher, more than 30 deaths for every 1,000 births, according to the latest data.

Bolivars, the Bolivarian gift. Nicolás Maduro announced that he would pay pensioners and government service employees a Christmas bonus of half a Petro (VES 897,317.3). According to sources consulted by *El Nacional*, the Petro is worth VES 1,794,634.54.

The stampede towards informality. During a press conference, the president of the National Commerce and Services Council (Consecomercio), Felipe Capozzolo, said, *"There's a stampede by commercial establishments to stop doing business formally, and they are doing it because, in order to open a new business, they have to think about having a well (for water) and a power plant. Not everyone can afford that. We are talking about establishments that used to have 20 workers and now have only one or two, at most."*

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Only two-thirds of what it was before... According to Capozzolo, commercial establishments stopping doing business formally is a reaction to a contracted market and a smaller number of potential buyers. Consecomercio estimates that the contraction in commerce and the provision of services in Venezuela will close December at 35%.

...and dollarized. Although Consecomercio has still not conducted a nationwide survey to determine the level of dollarization in Venezuela, it estimates that three out of every 10 establishments use foreign currency as a means of payment. This includes cash and electronic transfers in dollars and also in euros.

Yellow fever makes a comeback. The National Epidemiology Defense Network and the Venezuelan Public Health Society published an epidemiological alert saying that yellow fever has reappeared in Venezuela.

Ground Zero. According to the alert, in September this year a 46-year-old Pemon Indian from Kamarata in Canaima, Bolívar state, was hospitalized with fever, jaundice (yellow skin) and hemorrhaging. He also developed acute renal insufficiency and had to be dialyzed. This is the first confirmed case of yellow fever in Venezuela since 2005.

No official statement. According to the bulletin, the presence of the yellow fever virus was confirmed by the Rafael Rangel National Health Institute, but the Ministry of Health has still not issued an epidemiological alert or given any information regarding the situation.

WORLD ECONOMY TIPS

A 90-day breather for Huawei. According to Reuters, the Trump administration issued a 90-day extension to a license that permits US companies to continue doing business with the Chinese company Huawei Technologies. The license became a requirement after the US Department of Commerce included Huawei on its black list because of accusations of espionage. This occurred in the middle of discussions being held between the United States and China with a view to reaching a preliminary agreement that would solve the trade war between the two countries that has lasted for more than a year.

Protests and recession in Hong Kong. The economy of Hong Kong, a Special Administrative Region of China, posted a contraction of 3.2% in the third quarter of the year compared to 2Q2019. This is the second quarter in a row that Hong Kong's economy has posted a contraction in GDP, which means it is now considered to have entered a recession. The problem with the economy is the high level of political and social instability

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that Hong Kong has experienced in recent months, where protests against the oppression of the Chinese Government have taken over the streets.

Ecuador, no possibility of reform? Part I. Ecuador's National Assembly rejected a package of tax and monetary reforms submitted by President Lenin Moreno. This is another blow to his attempts to get fresh funds and reduce the sizeable fiscal deficit. In its official Twitter account, the Legislature said, "*with 70 votes in favor, the plenary session of the National Assembly decided to deny the economic growth bill and file it.*"

Ecuador, no possibility of reform? Part II. The reforms were suggested in the context of a credit agreement that the government reached with the International Monetary Fund (IMF) in February for USD 4.2 billion. The government's bill aimed to improve tax receipts by raising some taxes and establishing a special tax for companies with earnings of more than one million dollars a year.

He's not giving up. In response, President Moreno is to insist on a tax reform and is to send a new bill to the National Assembly in an attempt to obtain fresh funds in order to get the country's failing economy back on its feet and solve the fiscal issue.

New taxes in Brazil. According to the newspaper *Estado de S. Paulo*, Brazil's Ministry of the Economy approved some tax reform proposals, a package of measures that is to be submitted in four phases to Congress through to halfway next year. The proposals include a consumption tax of between 11% and 12% and fusing two existing taxes, the Social Integration Program (PIS) tax and the Contribution for Financing Social Security Contribution (COFINS).

The four phases. The consumption tax will be included in the first phase of the bill, which is to be submitted at the end of this month. The second phase, planned for early next year, will focus on modifying taxes on industrial goods, and the third phase will focus on income tax for private individuals. The last phase will consist of tax reductions for companies.

My neighbor's problems are my problems. Peru's President Martín Vicarra said he hoped that the political situation in Bolivia would get back to normal in order to be able to resume the plan for connecting up their gas pipelines, a project they were working on with Bolivia's former president, Evo Morales, and that has now been put on hold due to the present political crisis in Bolivia. The purpose of the plan, which was agreed in June, is to import Bolivian gas for border areas in Peru and could even include exporting gas from a port on the Pacific coast.

POLITICAL TIPS

New releases. The leader of the political party *Esperanza por el Cambio*, Javier Bertucci, announced that, as a result of negotiations carried out by a faction of opposition and governing coalition members on the National Dialog Group, agreement had been reached to release a number of political prisoners in December.

They are all important. Although Bertucci gave no names, he did say that the people to be released would be both civilians and members of the military, stressing that, as far as they were concerned, all political prisoners were important. The political leader took advantage of the situation to stress his desire to have a new National Electoral Council (CNE) by the end of the year.

Putting up a show of strength. In a television broadcast, Nicolás Maduro responded to US President Donald Trump's communiqué in which he commented that the events in Bolivia served as a sign to the "illegitimate regimes of Venezuela and Nicaragua." In his response, Maduro said he would fight for peace in the country and that, after his meeting with the high military command, he was "strengthened by the combative spirit" he observed in them.

A work in progress. The eleven members of the Preliminary Commission that is to take part in the election of the new National Electoral Council have been chosen. Four of the 11 members represent the governing coalition and seven are members of the opposition; two of the latter belong to *Acción Democrática* and two are members of *Primero Justicia*.

Still some way to go. The Electoral Nominations Committee has already been inducted as part of this process. However, the ten members from civil society who must be part of the committee for it to be complete have yet to be summoned. Stalin González, the vice president of the National Assembly, is the person who has the authority to issue this summons.

Making things clear. Colombia's new minister of foreign affairs, Claudia Blum, who replaces Carlos Holmes Trujillo, confirmed that her country still does not recognize Nicolás Maduro and, therefore, continues to support Juan Guaidó "unequivocally" as the interim president of Venezuela. She said that one of her priorities as minister of foreign affairs would be to strengthen the Group of Lima and move ahead with the diplomatic actions against the Maduro regime.

A change of direction. Jeanine Áñez, Bolivia's new temporary president, said that Bolivia's new interim government would comply with democratic principles and the

principles of respect for human rights and that, therefore, it recognized a “democratic Venezuela.”

Fewer friends. Commenting on this, she announced the breaking off of relations with the Government of Venezuela. As a consequence the three governing coalition diplomats who represented Venezuela in Bolivia have returned to the country with their families.

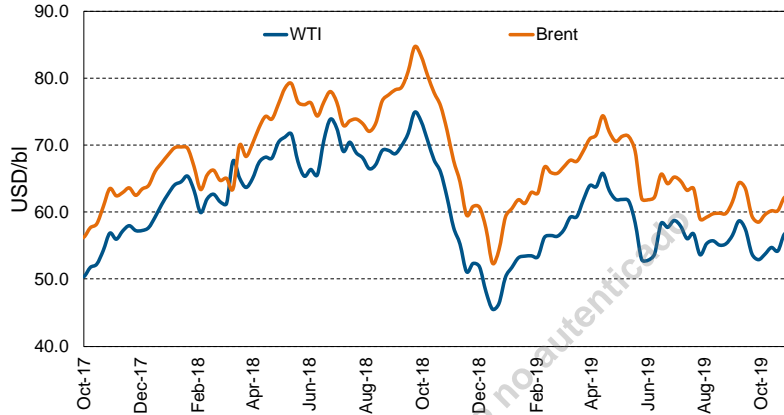
Establishing new relations. The president said she recognized Juan Guaidó as the true interim president of Venezuela, which is why she held a video call with him to discuss the appointment of the new diplomatic representatives Venezuela would have in Bolivia. This call ended with both stating their predisposition to meet in person, but no dates were set.

They hope rights will be respected. On the matter of the mobilizations on November 16 by government coalition supporters and supporters of the opposition, the Office of the United Nations High Commissioner for Human Rights (OHCHR) called on both the Maduro regime and the Bolivarian National Armed Force (FANB) to respect the right to peaceful reunion and to cease the acts of intimidation against demonstrators.

Associated and sanctioned. Cuba's Minister for Homeland Affairs Julio César Gandarilla Bermejo was sanctioned in a note issued by the US Department of State in which he is accused of being responsible for commanding different activities in Venezuela that violated human rights. His two children were also sanctioned.

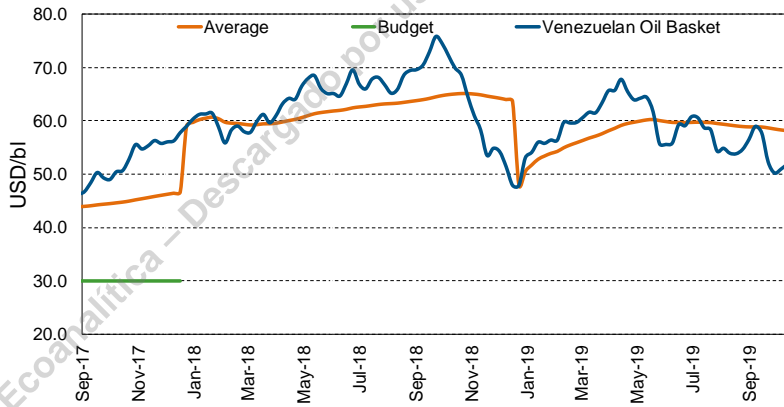
ECONOMIC INDICATORS

**Oil Prices
(WTI and Brent)**



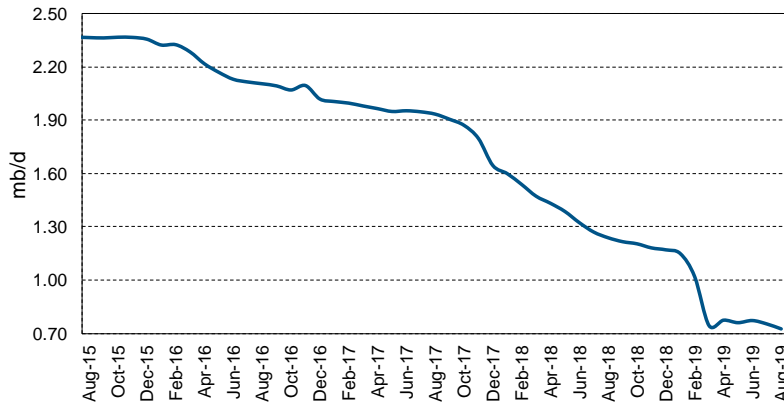
Sources: Menpet and Ecoanalítica

**Oil Price
(Venezuelan Basket)**



Sources: Menpet and Ecoanalítica

**Oil Production
(Secondary sources)**



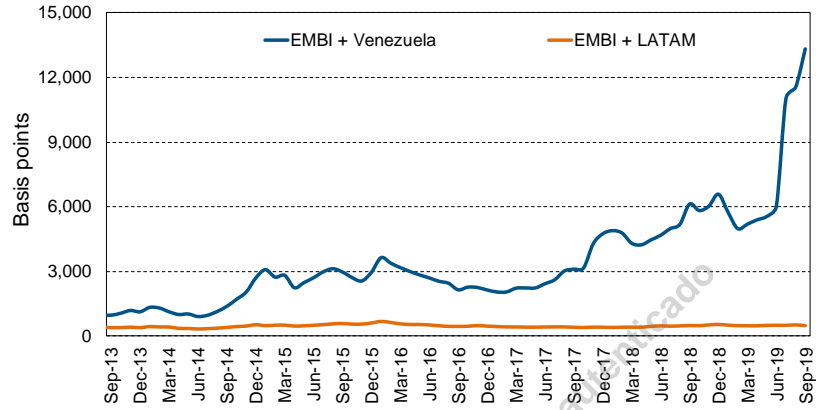
Sources: OPEC and Ecoanalítica

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November 2019

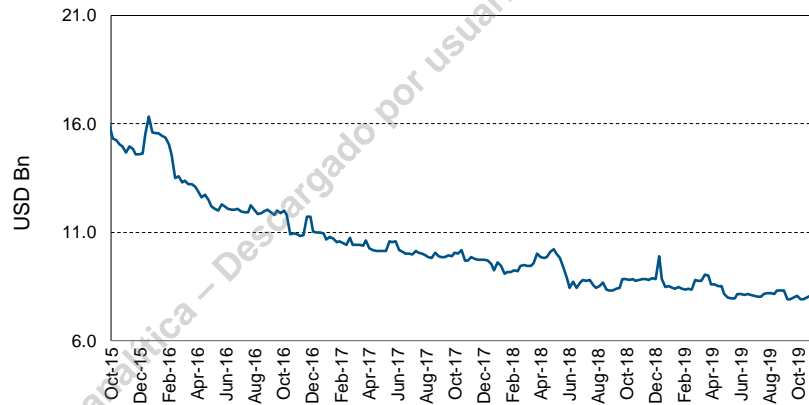
ECONOMIC INDICATORS

EMBI



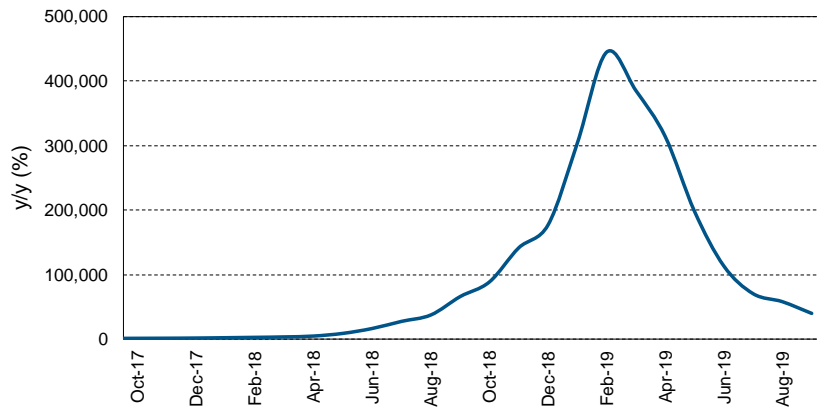
Sources: BCRP and Ecoanalítica

FX Reserves (BCV)



Sources: BCV and Ecoanalítica

Inflation (BCV)



Sources: BCV and Ecoanalítica

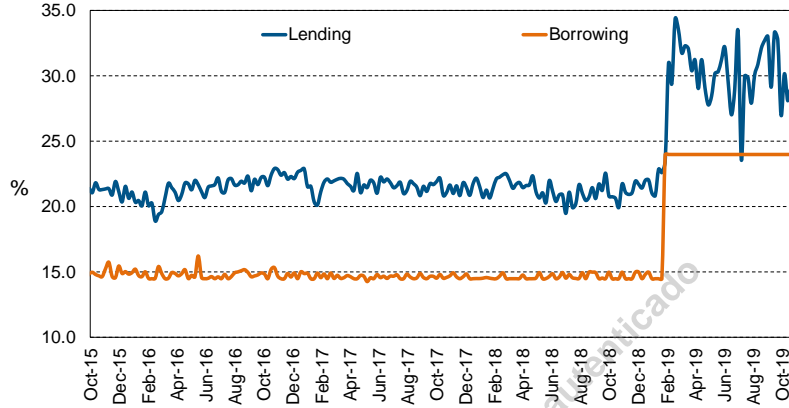
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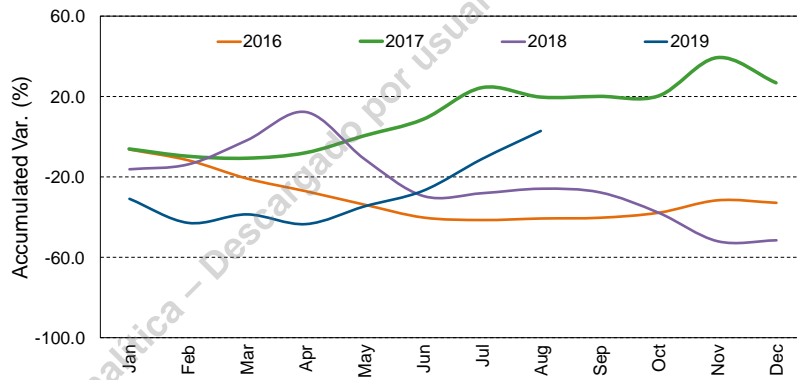
ECONOMIC INDICATORS

**Interest Rate
(Six major banks)**



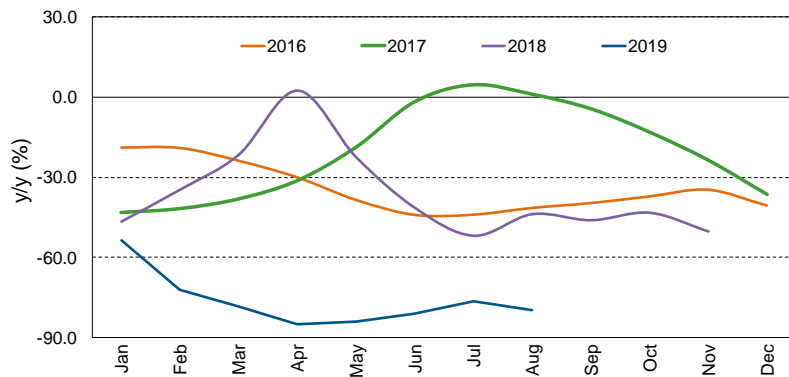
Sources: BCV and Ecoanalítica

**M2 Expansion
(Real)**



Sources: BCV and Ecoanalítica

**Loan Portfolio
(Real)**



Sources: SUDEBAN and Ecoanalítica

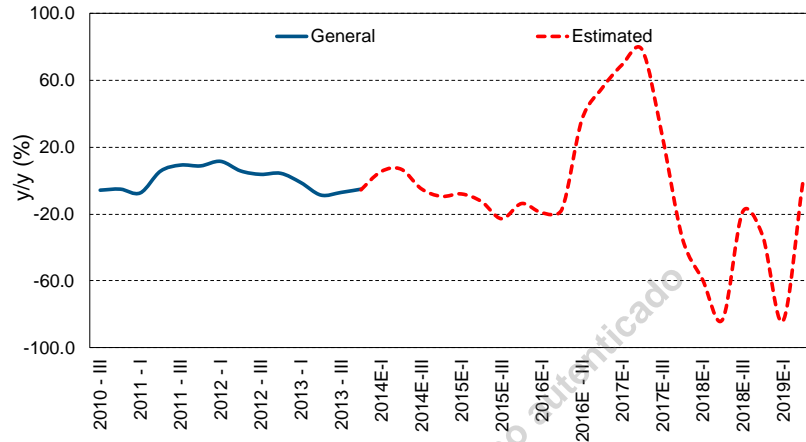
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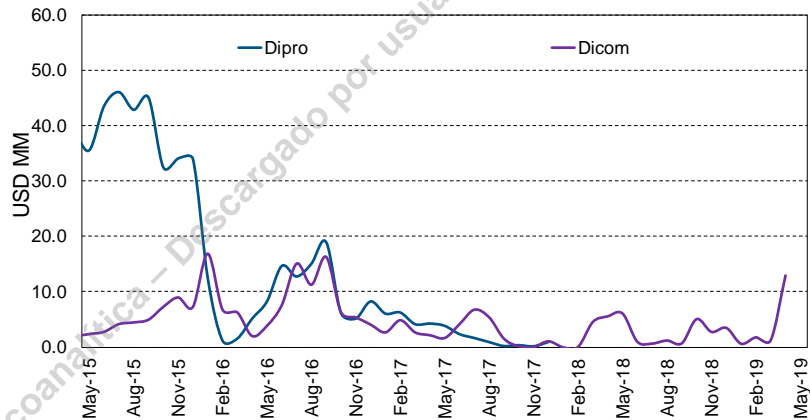
ECONOMIC INDICATORS

Real Wage Index



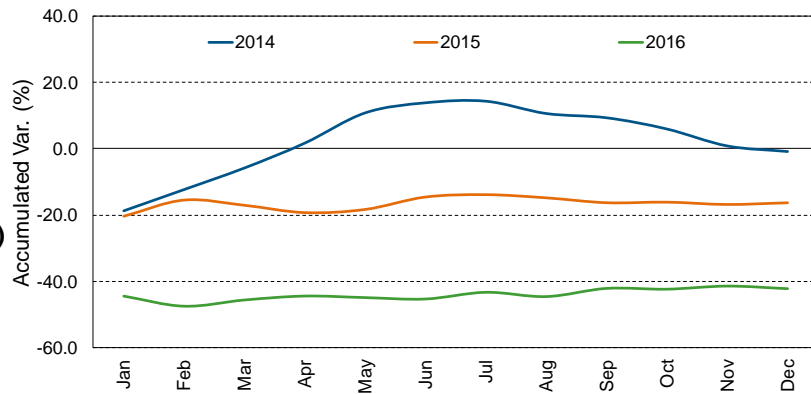
Sources: BCV and Ecoanalítica

Disbursements to the Private Sector (Daily Average)



Source: Ecoanalítica

Primary Spending NTO (Real - Central Government)



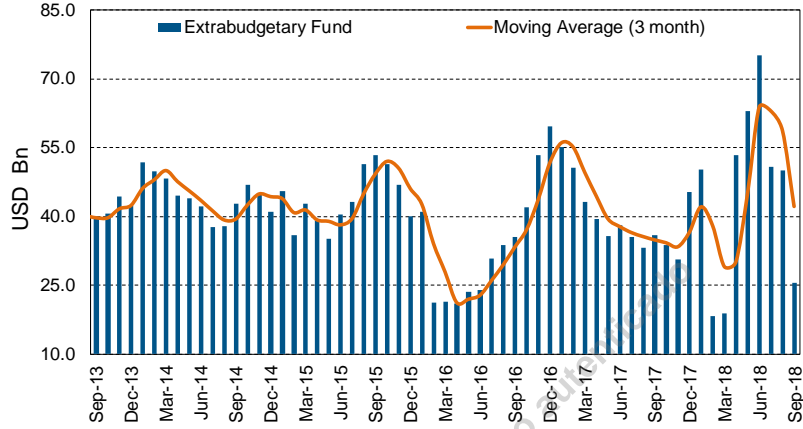
Sources: ONT and Ecoanalítica

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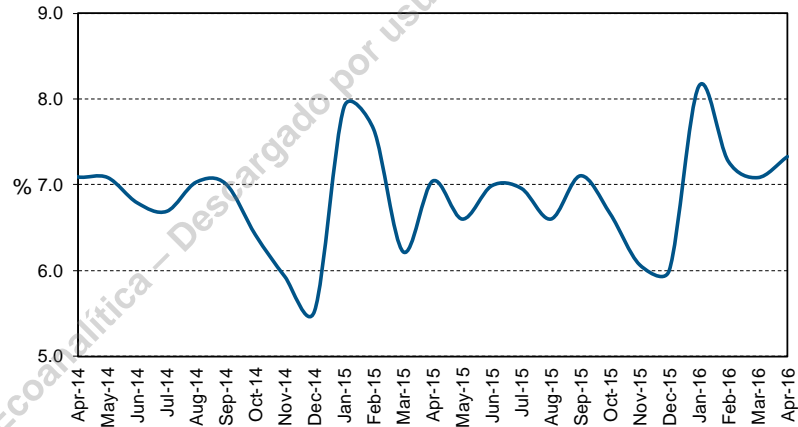
ECONOMIC INDICATORS

State Extrabudgetary Resources



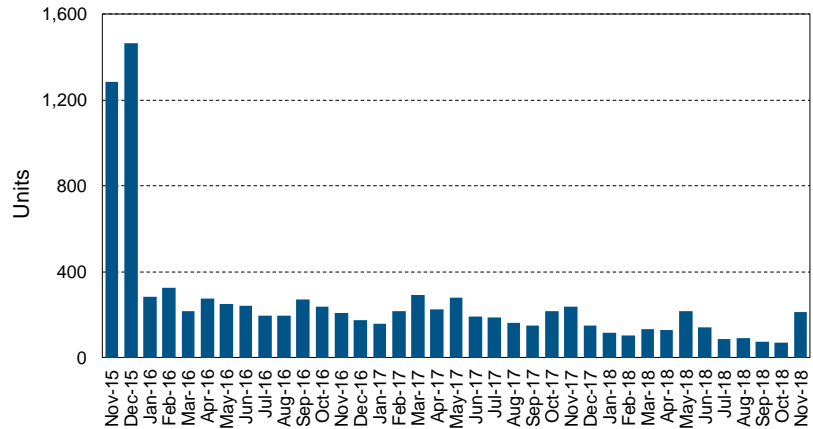
Source: Ecoanalítica

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

criminar@ecoanalitica.net

Luis Arturo Bárcenas / Senior Economist

luisb@ecoanalitica.net / @barcenaluis

Guillermo Arcay Finlay / Economist

guillermoarcayf@ecoanalitica.net / @guillermoarcayf

Giorgio Cunto Morales / Economist

giorgioc@ecoanalitica.net / @giorgiocunto

Corina Fung / Economist

corinaf@ecoanalitica.net / @corinafung7

RESEARCH ASSISTANT

Jhoan F. Castellano

Diego Santana

Carmen Pelay



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