



### A happy December? Some implications of the temporary reopening of commercial activity in Venezuela.

On November 22nd, in a nationwide broadcast, President Nicolas Maduro announced that the "7+7" quarantine scheme that has governed the country's activity in the last five months will not be implemented in December.

The president reported that the evolution of cases has allowed "*letting go of the hand*", indicating the importance that would have a reactivation of the commercial sector with less limitations to achieve the "*economic, commercial recovery... that the country needs*"<sup>1</sup>. For the time being, the implementation of the secure flexibilization will be exclusive to the last month of the year and the usual scheme will be resumed in January 2021.

In addition, in December, passenger terminals<sup>2</sup> and tourism sector<sup>3</sup> activities will resume; international commercial flights to selected destinations<sup>4</sup> already permitted in November will continue and some domestic routes will be enabled<sup>5</sup>.

The government will rely on the official figures on the evolution of the pandemic in Venezuela in recent months. If these are used as reference, a clear deceleration of the increase of daily cases of contagion would be observed, which went from an average of 927 between August and September<sup>6</sup> to one of 459 in the last two months. Furthermore, to justify the implementation of this new measure, the official narrative would highlight a recovery rate of approximately 95.0% of infections.

<sup>1</sup> Infobae (2020). *Venezuela: Maduro relaxes quarantine in December*. November 22nd. Available [here](#).

<sup>2</sup> Counterpoint (2020). *Passenger terminals will resume operations this #30Nov*. 23rd of November. Available [here](#).

<sup>3</sup> Panorama (2020). *Mature: On December 1, the country's tourist areas will be opened*. October 14th. Available [here](#).

<sup>4</sup> RunRun (2020). *INAC authorizes flights in three airports this week*. November 17th. Available [here](#).

<sup>5</sup> Panorama (2020). *Imminent opening of domestic flights for December in view of the flexibility*. November 23rd. Available [here](#).

<sup>6</sup> In those reference periods, the highest number of cases reported in a single day was 1,281 and 907, respectively. In addition, the average daily number of deaths from the disease went from 7.6 to 4.5

Meanwhile, reactions from health specialists<sup>7</sup> are more cautious. Specifically, it is argued that the opacity in the collection and management of COVID-19 cases information in the country does not allow us to say that the evolution of the pandemic is at a time that calls for a relaxation of the containment measures in place. According to specialists, the country still lacks a complementary strategy with early identification of cases, contact management and mass sampling of the population.

In addition, it has been observed that the population has not fully complied with periods of radical restriction of national mobility. This invites us to reflect on whether the country has the right conditions to relax the quarantine, particularly after the Academy of Physical, Mathematical and Natural Sciences projected that between 7,000 and 14,000 infections could be expected daily by the end of this year<sup>8</sup>. Within this framework, we will now give a brief review of the possible events that will become evident in this new segment of the quarantine.

### Temporary at risk.

The establishment of a continuous flexibilization measure should, in principle, be set up as an element of dynamization of the country's economic activity. The commercial sector<sup>9</sup> had already commented on the need to abandon the "7+7" scheme and move to one that would allow the development of activities without interruptions so that the sector could move towards a path of recovery.

However, this recovery could be interrupted by the temporary nature of the measure. In a previous report<sup>10</sup>, we pointed out that various specialists<sup>11</sup> expected the recovery of economic activity to be carried out in a "U" shape, that is to say, that its reactivation should be gradual and accelerate in the final phase.

In this theoretical context, either because of a reduction in demand for the goods offered or because of a fall in income in the midst of higher unemployment, both companies and households would not have the resources (decumulation or lack of accumulation of savings during the quarantine) to maintain consumption at levels similar to those seen before the introduction of the containment measures, at least during the first phases of a more aggressive flexibilization; In other words, a change in the trends of private inter-

<sup>7</sup> Sarmiento, M (2020). *December with flexibilization and there are already people who do not use mask and do not keep their distance*. Chronicle One. Available [here](#).

<sup>8</sup> ACFIMAN (2020). Informative Bulletin N° 37. Available [here](#).

<sup>9</sup> Fedecamaras (2020). *Consecomercio: Expanded flexibility is a step in the right direction*. October 20th. Available [here](#).

<sup>10</sup> Weekly Report N° 16. *The day after*. May, 2020.

<sup>11</sup> Survey conducted by *Focus Economics* on May 6th to a group of consultants at a global level.

temporal consumption could be expected, where priority would be given to saving in the present and maintaining greater consumption in the future.

In the current Venezuelan framework, the temporary nature of the new flexibilization measure could exacerbate such behavior. In this month, it could be foreseen that households will see an increase in their income due to the temporary opening, when the firms will have to compensate their workers for a greater number of working hours, hoping that the flexibilization will boost consumption levels; however, even though household income may expand and, therefore, also their consumption possibilities, knowing that they will return to a radical scheme as of January, they will prioritize foreign currency savings, which, in turn, will boost the exchange rate's valuation.

In addition, it should be noted that those consumers who lost their jobs and had to migrate to the informal sector or even receive fewer remittances are more vulnerable to the current macroeconomic debacle and have no possible formal compensation mechanisms. In that scenario, firms would enter this "grace period" with consumers who have diminished income, so the decision to prioritize coverage through the acquisition of inventory or foreign exchange could result in a very favorable strategy for the next month.

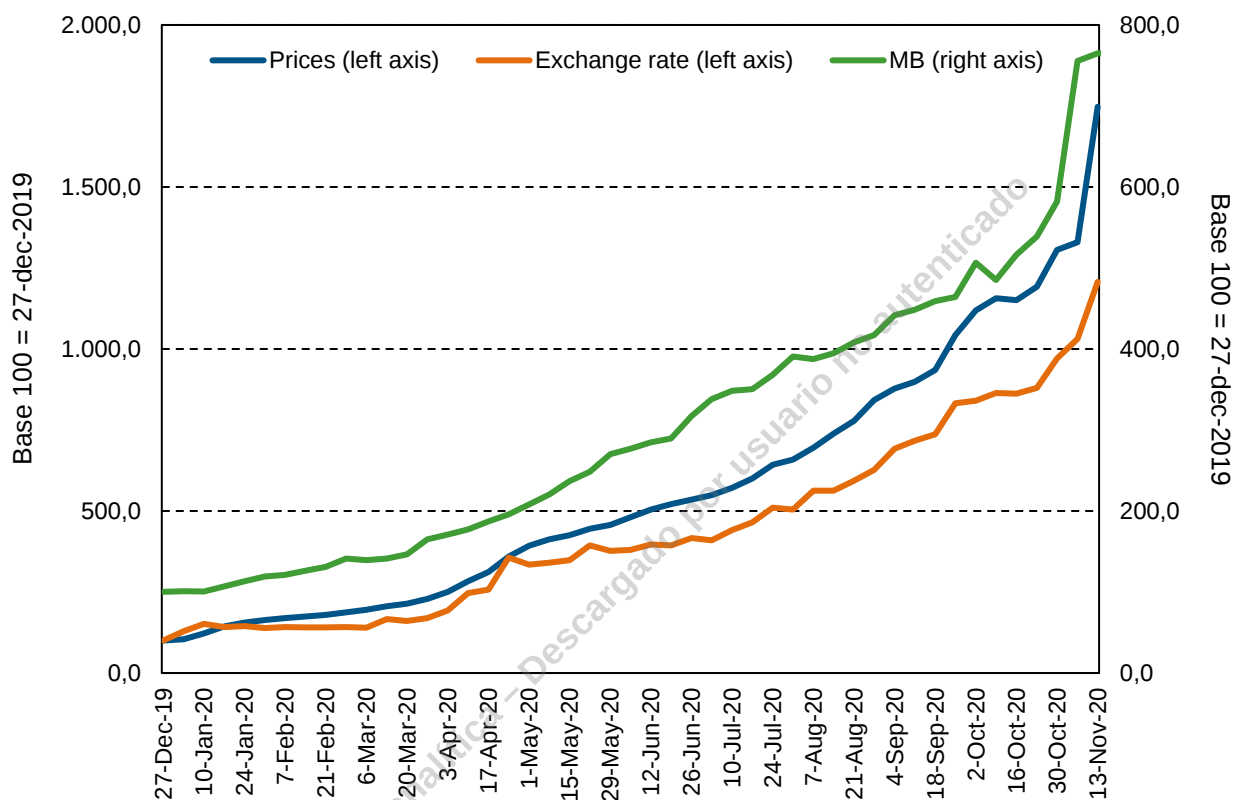
### The endless story...

A critical aspect of the upcoming reopening will be the potential spike in inflation next month. In addition to the increases associated with the injection of *bolívars* by the public sector (usual on these dates and with a new electoral event), the rates in December could be altered by the demand shocks coming from the potential expansion of private consumption, if the previously described does not occur.

Naturally, according to the above, these inflationary pressures would be minimal if Venezuelans decide to ration their present consumption in the face of greater uncertainty about the immediate future. However, if this rise exceeds the capacity of companies to meet increased demand, the lack of local supply could contribute to the persistence of high inflation even with reduced consumption.

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## Monetary base, prices and non-official exchange rate



Sources: BCV and Ecoanalítica.

Note: The highlighted areas indicate the beginning of the quarantine.

In that sense, the reopening in Venezuela would face an endowment of goods still partially affected by the lower commercial activity on a global scale and by the poor performance of the economies that supply the imports demanded by the domestic private sector (with the exception, perhaps, of the endowment of goods from China).

In foreign exchange matters, it is highly probable that the exchange rate will gain volatility with this extended reopening. Upward pressures will come from the demand for foreign exchange in the face of an acceleration in prices in *bolívares* (described above) and possible precautions by consumers in the face of increased uncertainty about the handling of the pandemic once the year ends and, with it, the extended reopening. The magnitude of such expansions will depend, of course, on how capable Venezuelans are of dealing with the rising price of the currency, especially if the Executive gives in on the

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payment of bonds and credit activity continues to decline in the face of legal reserve requirements.

On the other hand, with the reactivation of the commercial activity and the payment of more extended working hours, the transactional dollarization and the consequent circulation of foreign currencies can increase in the last weeks of the year, which would limit the expansions of the exchange rate.

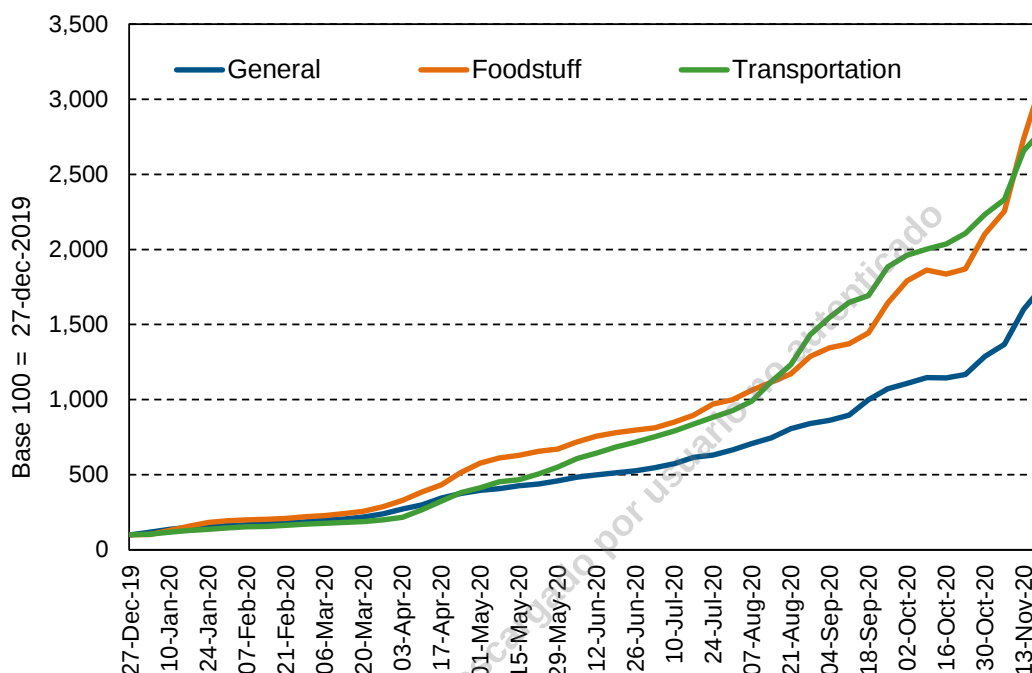
### At a snail's pace

With the reopening, the fuel shortage scenario in Venezuela may increase in the next month, in the absence of the necessary reactivation in the local refinery activity to supply the current lack of gasoline imports (despite recent official statements<sup>12</sup>). The lesser limitations to local activity would lead to a more intensive use of freight of goods, which also implies a greater mobilization of people towards commercial areas in a more prolonged manner than what has been seen so far.

<sup>12</sup> The Pitazo (2020). Nicolás Maduro: "We are already producing all the gasoline that Venezuela needs". November 20th. Available [here](#).

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### Price level evolution in 2020



\*The shadowed area denotes the beginning of the quarantine  
Sources: Ecoanalítica.

In this sense, it is likely that informal markets will reappear with consequences for the cost of transport and related services and/or a worsening of the gasoline supply crisis in the interior of the country. With the recent reports of "home-grown" refiners fed by crude oil stolen from some inactive state oil fields in some regions<sup>13</sup>, such shortages and their impact on prices are more than predictable in the midst of a less "inactive" economy.

### There are major fears

On the other hand, as we mentioned in our weekly report *The Day After*, a possible longer reopening of the local economy could boost the rate of infection of the new virus, which would revive the fears of restrictions in commercial activities, especially with a hospital infrastructure at the precarious end. However, it was also stated that this risk seemed to be inevitable (or even, with no interest to be mitigated) for that poorer Venezuelan social stratum or absorbed by the local informal activity.

<sup>13</sup> Nava, M. & Cohen, L. (2020). *FOCUS- Desperate for fuel, Venezuelans steal crude from PDVSA and make their own gasoline*. Reuters. Available [here](#).

In this regard, sanitary protocols for less costly reopening appear to be vital for both consumers and sellers. In fact, recent studies focus on quantifying the positive effect that employee health protection measures have on business activity. In this view, such measures would partially offset the negative effects of quarantine or restricted mobility on business activity in general.

In this regard, for the Chilean case, Janiak, Machado and Turen (2020)<sup>14</sup> propose a theoretical model of contagion with social interaction (in the production and consumption of goods) in which the absence of health protocols would increase the possibility of a second wave of massive transmission of COVID-19 for the Chilean case, with significant drops in the labor supply and domestic production in the initial three months of "relaxation" of protocols.

In the Venezuelan case, in those companies (in particular, small businesses) where the costs of such health protocols are high, a prolonged reopening could boost the rate of coronavirus infection, which would entail the risk of not remaining operational, even during the month of flexibilization, and, furthermore, would affect the health of a greater number of Venezuelans who would go (for a longer time) to commercial premises that do not implement the protective measures.

Finally, considering the limitations noted above regarding potential increases in the effective price of local gasoline, fear of contagion may be greater with even more intense use of mass transportation and few controls or measures to prevent escalation of the pandemic. Again, however, for the poorest, the reopening will be a battle won by shortages over fear of the new virus.

### **Speed in the urgent matters.**

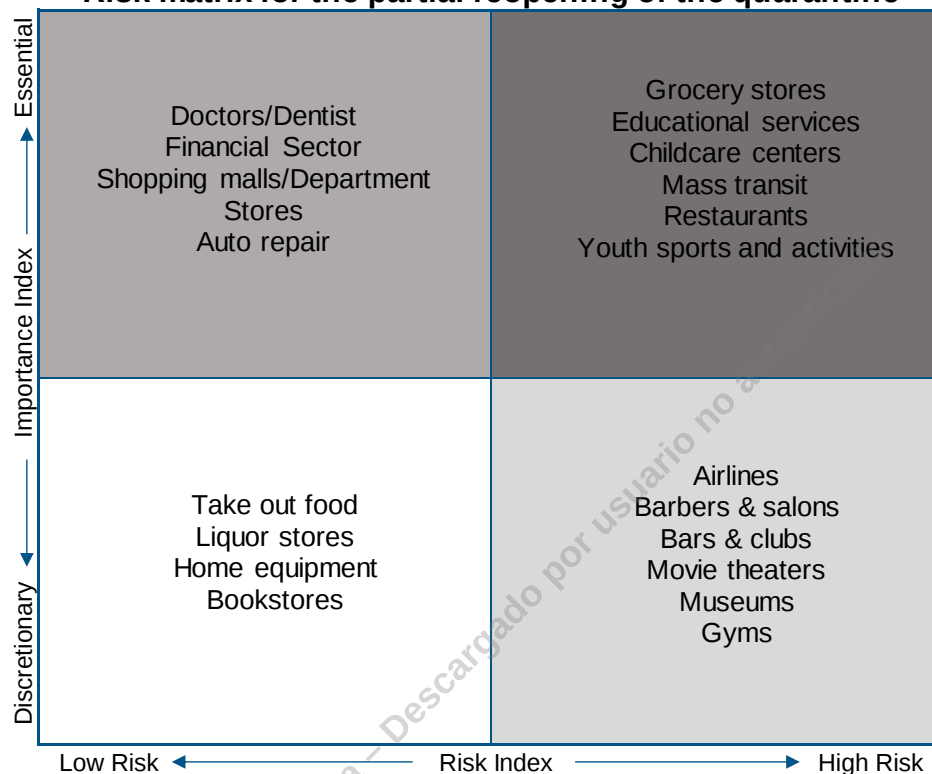
In some scenarios, the consequent increase in mobility due to the opening could encourage household consumption, so firms could take advantage of this time window to boost their sales. However, it should be taken into consideration that not all sectors would assume this new period with the same opportunities.

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<sup>14</sup> Janiak, A.; Machado, C. & Turén, J. (2020). *Covid-19 contagion, economic activity and business reopening protocols*, Pontificia Universidad Católica de Chile. Available [here](#).

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**Risk matrix for the partial reopening of the quarantine**



Sources: Deutsche Bank, C-SPACE and Ecoanalítica.

Note: The shaded areas indicate the level of "relevance", if it is darker it signals that the sector is more important and risky.

The conditions inherent in the pandemic mean that certain business sectors are at a greater advantage than others. Basically, those considered more essential and with less risk of contagion than others could have a superior demand relative to the rest and take better advantage of this new situation.

This aspect becomes more relevant when we take into account that expenses related to the adaptation of health safety protocols must be made. In addition, future consumption decisions discussed in another section of the report should be added to this: consumers can see this flexibility as a period of savings, in a way of financing future consumption in the face of the risk of seeing their income reduced in the future.

In other words, the strategies employed should be more precise during this short period, since there is a possibility of facing a decreased demand than in other similar periods. To this end, we echo previous recommendations: highlighting the need for knowledge of the market conditions in which the products to be offered will return and the monitoring of macroeconomic indicators and their reaction to the official announcements that arise,

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especially taking into account the unforeseen nature that has characterized the announcements and the behavior of the most recent indicators.

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## WEEKLY INDICATORS

| Weekly Economic Indicators                  |                   |                     |                                 |
|---------------------------------------------|-------------------|---------------------|---------------------------------|
|                                             | 4th Week November | Weekly chg.<br>(%)  | Depre/Apre<br>(pp) <sup>1</sup> |
| FX Boards<br>(VES/USD) <sup>2</sup>         | 803,488.74        | 24.0                | 19.4                            |
|                                             | 2nd Week November | Weekly chg.<br>(pp) | Annual chg.<br>(pp)             |
| Lending Interest<br>Rate (%)                | 36.6              | -1.3                | 8.0                             |
|                                             | 4th Week November | Weekly chg.<br>(pp) | Annual chg.<br>(pp)             |
| Overnight<br>Interest Rate (%)              | 26.1              | -3.6                | -228.1                          |
|                                             | 3rd Week November | Weekly chg.<br>(%)  | Annual chg.<br>(%)              |
| International<br>Reserves<br>(USD Bn)       | 6.3               | -1.8                | -19.8                           |
|                                             | 2nd Week November | Weekly chg.<br>(%)  | Annual chg.<br>(%)              |
| Monetary<br>Liquidity<br>(MM VES)           | 338,260,895       | 5.9                 | 1,165.4                         |
| Price of International Oil Baskets (USD/bl) |                   |                     |                                 |
|                                             | 2nd Week November | Weekly chg.<br>(%)  | Annual chg.<br>(%)              |
| WTI                                         | 40.7              | 7.8                 | -27.6                           |
| Brent                                       | 41.9              | 8.4                 | -33.3                           |
| Price of the Venezuelan oil basket (USD/bl) |                   |                     |                                 |
|                                             | 5th Week July     | Weekly chg.<br>(%)  | Annual chg.<br>(%)              |
| 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.

<sup>1</sup> Depreciation (+)/Appreciation (-)

<sup>2</sup> FX Borads' average exchange rate

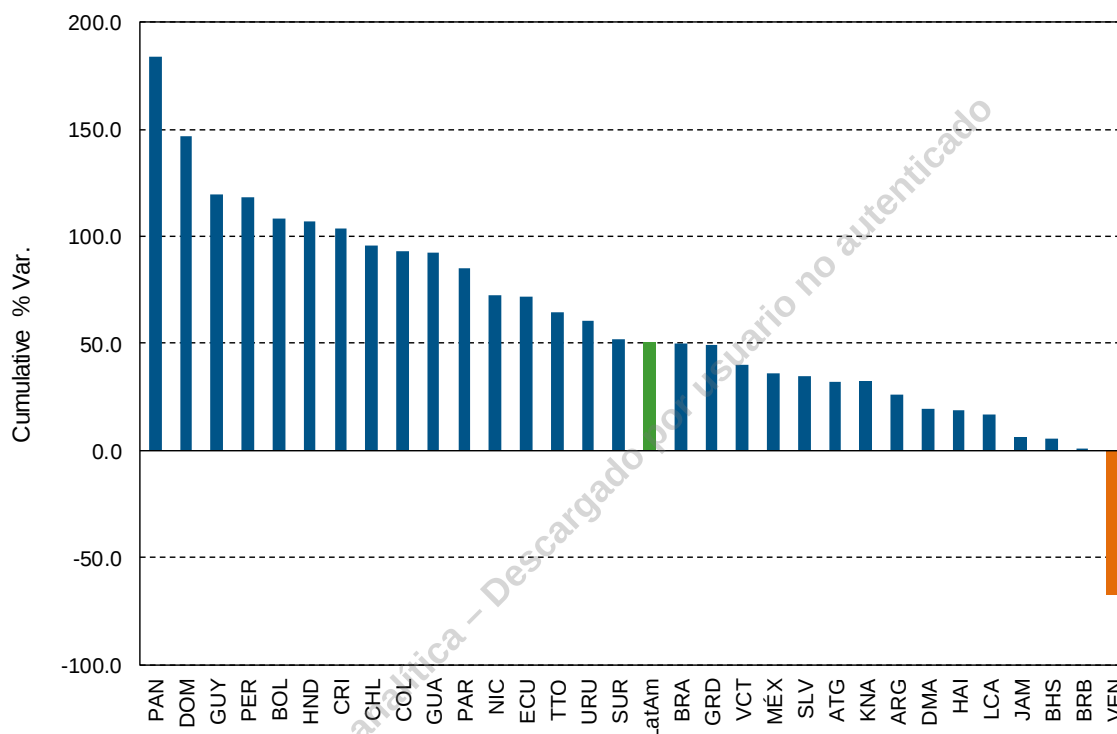
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## CHART OF THE WEEK: "30 GULLS AND A DODO"

### Real GDP change (2000-2020\*)



\*Projections for the end of 2020.

Note: Estimated calculations with base 100 corresponding to the closing of 1999.

Sources: International Monetary Fund and Ecoanalítica.

As we approach the end of 2020, we can see that the impact of COVID-19 on the world's economies has been internalized to the point where a reasonable projection of their short-term macroeconomic performance can be made; even when the effects of the pandemic are still present. For the vast majority of countries on the planet, 2020 will be a year of economic contraction compared to the close of 2019.

However, it is useful to put into context the impact that 2020 has on the broader economic trends that precede the pandemic. Specifically, the cumulative economic performance of 31 Latin American and Caribbean economies over the past two decades.

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In this sense, the entire region grew 50.5% since the end of 1999, initially due to the super cycle of high prices of commodities between 2000 and 2014. Following the cooling of the commodity market, growth in Latin America slowed down. However, this evolution is quite asymmetric among countries; at one extreme we have Panama (PAN), Dominican Republic (DOM), Guyana (GUY) and Peru (PER) that managed to more than double the size of their economies and, at the other end, we have Barbados (BRB), The Bahamas (BHS) and Jamaica (JAM) whose growth did not exceed 6% in 20 years.

The only country in the region that registered an accumulated contraction in that period is Venezuela (VEN), which by the end of 2020 will have a 67.6% smaller economy (less than half) than the one it had in 1999. All of the growth gains attributable to the oil *boom* between 2006 and 2012 were neutralized by the recessionary episode in which the nation finds itself since the close of 2013. While the region is teetering on the trend, however timid, of economic growth, Venezuela is the only one that is heading in the opposite direction in a decisive manner and with little evidence that it will recover positive growth rates in the short term.

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## ECONOMIC TIPS

**COVID-19 in Venezuela.** According to government figures as of November 26, the number of positive cases of coronavirus reached 100,817 and the number of deaths was 880.

**Partially confined.** For the week of November 23-30, all states in the country were handled under a partial flexibilization phase as part of the "7+7 plus" scheme. During this stage, different sectors of the economy were allowed to operate with restrictions on citizen mobility and capacity.

**A little gift for December.** Nicolás Maduro announced that the whole month of December will pass under a scheme of "*safe, voluntary and conscious flexibility*", which will allow a greater mobility of the citizens and the activity in all the economic sectors already authorized. In addition, he announced that the week of November 27 will be the last one to be handled under a scheme of radical confinement.

**What about the minimum wage?** Since mid-November, information about a possible increase in the minimum wage is being handled. Rumors arise because on the website of the Mandatory Housing Savings Fund (FAOV in Spanish) it is not possible to register a worker with a salary of less than VES 1,200,000 or USD 1.23 at the official exchange rate of November 26.

**It is not official yet.** For the time being, an executive decree to increase the minimum salary has not been published in the Official Gazette; therefore, the legal amount is VES 400,000 per month or USD 0.4, as published in the Extraordinary Official Gazette No. 6,532 of April 27, 2020.

**Petare inflates.** The Petare Basket, published by Congressman Angel Alvarado and that gathers eight products of the basic basket that are commercialized in Petare, reached VES 17,580,000 and showed an increase of 30.1% with respect to the week of November 15. In dollars, the basket reached USD 20.54, which represents an increase of 5.2% with respect to the previous week.

**Pensioners of little more than a dollar.** The Venezuelan Institute of Social Security (IVSS) deposited the pension and the payment of aguinaldos corresponding to the month of December. The pension was of VES 1,200,000 and the Christmas bonuses of VES 1,200,000 for a total of VES 2,400,000, which represents USD 2.5 at the BCV exchange rate as of November 26.

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**Third to last.** The International Property Rights Index 2020 (IPRI 2020), which assesses the vulnerability of private property, ranked Venezuela 127th out of 129 countries analyzed. In this regard, the category of legal and political environment reached a score of 1.4/10, while physical property rights received a score of 4.7/10 and intellectual property rights obtained a score of 2.5/10.

**Bonuses and more bonuses (I).** Between November 23 and 30, the "Awareness and Prevention Bonus" was delivered through the *Plataforma Patria*. For the time being, the amount is not known, but it is expected to be around USD 4 to USD 5, similar to the amount granted in recent years.

**Bonus and more bonuses (II).** As of November 17, the teachers assigned to the Ministry of Education received the "Simón Rodríguez Bonus" through the *Sistema Patria*. The amount was VES 6,500,000, equivalent to USD 6.7 at the BCV exchange rate as of November 26.

**Bonds and more bonds (III).** For their part, the retired teachers received a payment of VES 5,000,000, equivalent to USD 5.1. In addition to these bonuses, they received a bonus whose amount depended on the position and level of the educators and varied between VES 5,500,000 and VES 8,000,000, that is, between USD 5.6 and USD 8.2.

**Money tables.** For the week of November 27, the average rate for money tables was VES 803,488.7/USD. This represents a depreciation of 19.4% with respect to last week.

**Liquids?** Liquidity was VES 338,260,895 million for the week of November 13, a variation of 5.9% in nominal terms in relation to the previous week (November 6) and 1,165.4% in relation to last year.

## OIL TIPS

**And now?** Reports from PDVSA and the Ministry of Petroleum indicate that the most recent imports of Iranian gasoline have been exhausted, leaving the Cardón refinery as the only one that offers gasoline for the entire country. Currently, Cardón is producing below 50,000 barrels per day (b/d) with great difficulty, reports Argus Media.

**Up to the edge.** One manager at headquarters said they don't know if they will be able to sustain these production levels, but they are sure that there will be more failures if they try to increase production above 50 kb/d. With the president's announcement of full

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flexibility throughout the month of December, concerns about fuel supply are increasing even more.

**Of oil crisis...** The Reuters agency reported that, according to information received from some PDVSA workers, desperation over the lack of gasoline has led some people to steal crude from certain inactive PDVSA fields to distill homemade gasoline. This is a sign of the oil crisis in a country that cannot supply its population with gasoline.

**... with handmade gasoline.** Thefts of crude oil for the refining of "artesian gasoline" began in oil fields such as La Concepción, in the state of Zulia, which produced more than 12 kb/d of light crude oil 15 years ago. This field has been inoperative for two years due to deterioration.

**One more business.** The process of creating "artisanal gasoline" consists of obtaining the crude oil from these fields, then transporting it to rudimentary refineries located in the backyards of houses in a nearby town. The security managers of these fields hardly bother to protect the inactive facilities, so thefts have become common in these sites in recent years with the economic deterioration of the country.

**Talk to "El Flaco".** Thus, the crude oil is boiled and passes through some copper tubes; the resulting product is sold to people who require fuel for critical activities. In the state of Zulia, a man named "El Flaco" is known as the sole supplier, reports Reuters.

**Imminent danger.** To get the oil from the pipes, thieves drill them and hold a blowtorch under them to heat the oil and make it flow into smaller pipes that they insert into these holes. There are even several videos already circulating on social networks about clandestine refineries. The fluid that is extracted from here is chemically volatile and lacks the additives that are normally added to gasoline to ensure the safety of vehicle engines.

**Snitches get stiches (I).** Last week, the Venezuelan Military Intelligence Service (DGCIM) arrested Eudis Girot, executive director of the National Federation of Oil Unions. Throughout this year, Girot has publicly reported on the multiple occasions in which attempts have been made to resume oil production at PDVSA's refineries and has also denounced the precarious state of PDVSA's *Nabarima* floating oil storage facilities.

**Snitches get stiches (II).** A similar event occurred on November 14, when Guillermo Zárraga, a retired PDVSA worker and union member, was arrested by the Sebin. Zárraga was accused of "terrorism" because he was linked to the explosion that destroyed a 120 kb/d distillation unit at the Amuay refinery on October 27. Zárraga is also under investigation for divulging internal information of the CRP complex.

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**Attacks from the beyond.** Nicolás Maduro and Tareck El Aissami, Minister of Petroleum, denounced that a missile directed by a drone caused the explosion that occurred in Amuay; however, the workers of the complex establish that this assertion has no foundation whatsoever. They affirm that a water leak inside the unit was what caused the gas explosion, reports Argus Media.

**The hunt will continue.** Another worker commented that *"we expect more arrests imminent because the government wants to silence the critics who are telling the truth about the PDVSA refinery collapse and the operations in the oil fields,"* published Argus Media.

## SECTORIAL TIPS

**Rum and the Caracas Stock Exchange.** According to a statement from the National Superintendence of Securities (Sunaval), Ron Santa Teresa, the largest rum producer in the country, received government approval to sell USD 300,000 in dollar-denominated commercial papers. This is the first time in more than 20 years that a private Venezuelan company sells debt in dollars.

**After a nine-month wait.** This agreement comes nine months after Nicolas Maduro extended financing options to local companies, allowing them to sell dollar-denominated securities.

**It will depend on the discount.** Marco Gasperini, president of *Ratio Casa de Bolsa* (company that is coordinating the agreement), indicated that the commercial papers, which will be governed by local legislation, must be delivered within one year. These will have no coupon and are expected to be placed at 96% of their nominal value.

**They just want better services.** According to a measurement made by the Venezuelan Observatory of Public Services (OVSP in Spanish) between the months of April and May 2020, 58.1% of the citizens in ten of the country's main cities would agree to an increase in the rates of public services if these present improvements in their performance.

**The more need, the more they will be willing to pay (I).** In the OVSP study, the western cities stood out: San Cristóbal, Maracaibo and Punto Fijo, since they presented a greater proportion of people willing to pay an increase in the invoicing of services with 74.3%, 65.5% and 63.1%, respectively.

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**The more need, the more they will be willing to pay (II).** This could be due to the fact that this are the cities that give the worst evaluations. San Cristóbal has a negative evaluation of its electricity service with 89.7%, while Maracaibo and Punto Fijo have the worst evaluation of their water service with 75.3% and 86.8%, respectively.

**It's just that they're already paying more, in other ways.** Finally, the OVSP identified that many citizens incur additional costs to obtain services through non-conventional means. This, in addition to affecting daily tasks, may be related to a greater willingness to pay higher rates if they receive more efficient services.

**Now Russia and Bolivia.** The National Institute of Civil Aeronautics (INAC in Spanish) announced that, as of November 23, flights from Venezuela to Russia and Bolivia will be reactivated, joining the already authorized flights to Mexico, the Dominican Republic, Panama, Turkey and Iran.

**December in Margarita (I).** The Venezuelan Airline Association (ALAV in Spanish) announced the resumption of domestic flights to the state of Nueva Esparta; however, this information has not been confirmed by INAC.

**December in Margarita (II).** ALAV assured that the country will have internal flights from the cities of Caracas, Valencia and Maracaibo to Porlamar, capital of Nueva Esparta. According to the information disseminated by ALAV, which is based on a press release from INAC, commercial operations to Margarita would start on November 30.

**December in Margarita (III).** Humberto Figuera, Executive President of ALAV, affirmed that, within the framework of the extended flexibilization, Venezuela would have commercial flights to Nueva Esparta throughout December. Figuera highlighted that all the seats of the aircraft will be available for sale.

**Too little, too late.** According to Giorgio Reni, president of Fedecámaras Lara, the total relaxation of the quarantine for all of December will be insufficient for the recovery of the productive sector, which has been severely hit in the last eight months.

**Running at 16%.** Reni revealed that, according to the last survey made by the Chamber of Industries of Lara State, companies in the region are working at only 16% of their installed capacity; however, the union leader clarified that this figure is much higher for some companies, such as food companies that work with rice or long-life milk.

## INTERNATIONAL TIPS

**COVID-19 in the world.** According to figures published by the World Health Organization (WHO), the number of positive cases of coronavirus reached 60,362,439 on November 26 and the number of deaths for the same date was 1,421,308.

**As fast as the slowest.** The leaders of the G20 (the 20 largest economies in the world) promised to finance a fair distribution of COVID-19 vaccines to prevent the most vulnerable countries from being left behind. They also agreed to more flexible debt maturity terms.

**The fourth one arrived.** The British company AstraZeneca Plc announced that its vaccine for the coronavirus, developed by the University of Oxford, could have an effectiveness of around 90% without any serious side effects. This is the fourth vaccine announced, after those created by the American pharmaceutical companies Pfizer Inc, Moderna Inc and the Russian Sputnik V.

**USD 20 against the pandemic.** Sponsors and developers of the Russian Sputnik V vaccine against COVID-19 reported that it will be administered with two inoculations and will cost less than USD 20 per person in international markets. Additionally, they noted that Moscow wants to produce more than one billion doses at home and abroad by 2021.

**Green light for the transition.** U.S. President-elect Joe Biden received formal approval from a federal agency to begin his transition to the White House shortly after the state of Michigan, one of the contestants in the election, certified him as the winner, dramatically decreasing Trump's chances of reversing the election results in court.

**Take what you can (I).** According to officials consulted by Reuters, the European Union reached an agreement with US biotech firm Moderna for the supply of its COVID-19 vaccine candidate.

**Take what you can (II).** The European Commission's preliminary discussions with Moderna concluded with the intention of signing a contract for the supply of 80 million doses of their vaccine, with an option to purchase another 80 million.

**Without extreme poverty...** Chinese Foreign Ministry spokesman Zhao Lijian announced that China achieved its poverty goal for 2020 by removing the last counties from a list of poor regions. The milestone was achieved by lifting 93 million people out of poverty since 2013, the Chinese government reported.

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**...with tailor-made statistics.** China established its own national standard of extreme poverty, based on a per capita income threshold of CNY 4,000 per year, approximately USD 1.52 per day (below the USD 1.9 per day threshold established by the World Bank), and other factors such as access to basic health care and education.

**Friendships across the Atlantic.** The United Kingdom and Canada reached an agreement to renew their trade alliance to protect the bilateral flow of goods and services equivalent to USD 27 billion after the Brexit. Similarly, both countries committed to begin talks on a more specific agreement next year.

**Round and round.** Meanwhile, negotiations between the United Kingdom and the European Union resumed via teleconference to reach a post-Brexit trade agreement, with the aim of achieving a sharing of their fishing quotas and ensuring a framework of fair competition for companies involving state aid.

**Light at the end of the tunnel?** Germany's gross domestic product grew 8.5% in the third quarter of 2020 over the previous quarter, marking a partial recovery from the unprecedented decline caused by the first wave of the COVID-19 pandemic. This growth followed a 9.8% drop in the second quarter.

**Effects of a second confinement.** According to data collected by market analysis firm Springboard, the number of shoppers in British retail stores fell by 55.4% in the week of November 21 compared to the previous year, reflecting the impact of a second full week of confinement by COVID-19 in England.

**Looking for (a little more) work (I).** Mexico's unemployment rate fell from 5.1% in September to 4.7% in October, amidst a process of economic revival following confinement by the coronavirus pandemic.

**Looking for (a little more) work (II).** In total, 1.7 million people joined Mexico's Economically Active Population (EAP), which reached 55.6 million in October.

## POLITICAL TIPS

**Migratory misunderstanding.** On November 22, authorities in Trinidad and Tobago deported 16 Venezuelan minors, separating some of them from their parents. After hours of uncertainty, Congressman Omar González declared that the minors were found in La Barra, Delta Amacuro, and that they will return to Trinidadian lands at the request of a judge from that country.

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**Exact figures.** David Smolanski, Commissioner of the General Secretariat of the Organization of American States (OAS) for migrants from Venezuela, indicated that there were 29 deportees, of which 16 were minors, one of them a four-month-old baby, and 13 adults.

**With the eye on it.** For its part, the Inter-American Court of Human Rights (IACHR) expressed its concern about the disappearance of the migrants and urged Trinidad and Tobago to *"guarantee the entry" of Venezuelans "who seek international protection for humanitarian reasons.*

**Opposition seeks responsible.** In turn, the National Assembly was in session on this issue and Deputy Angel Medina Davis demanded that *"the Government of Trinidad and Tobago must provide an explanation for the inhumane and aberrant decision to deport minors alone and in precarious conditions. This is a clear violation of human rights. We demand answers and an international investigation".*

**What about the government?** In addition, oppositionist Antonio Ledezma criticized the fact that Nicolas Maduro celebrated his birthday when the whereabouts of the deported minors were still unknown. The government has not yet made any statement on this issue.

**Counting the chickens before they are born** Nicolás Maduro informed that the three main tasks of the National Assembly that will be elected next December 6 will be to create a law of communal parliaments, to promote *"communal cities"* and finally *"to install a parliamentary supercommission to investigate the corruption of Juan Guaidó and against the thieves of the current National Assembly.*

**External pressure.** In an interview, Leopoldo López mentioned that *"we ask that the UN reports that gather the crimes committed in Venezuela be used to establish individual sanctions. The names that appear in those reports must be sanctioned".*

**Joining the ends on a shaft.** In this sense, the opposition leader emphasizes that pressure must continue to be exerted to achieve reliable elections and detailed his next plan of work. *"I have already spoken with Josep Borrell to have a meeting as soon as possible in Brussels. I also intend to travel to Colombia, Brazil and the United States, where a large number of Venezuelan migrants reside",* he said.

**Spain does not recognize them.** Spain's Secretary of State for Foreign Affairs, Cristina Gallach, reiterated that it does not recognize the regime of Nicolás Maduro or the parliamentary elections scheduled for December 6, because it does not guarantee basic democratic principles.

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**Unfounded and repeated accusations.** Nicolás Maduro accused Colombian President Iván Duque and the Venezuelan opposition of stealing the resources of different organizations and governments for the attention of Venezuelan migrants in Colombia and other countries in the Latin American region.

**Responding with subjective comparisons.** In response, President Ivan Duque said that *"Venezuela is the most brutal dictatorship we have seen in recent times in Latin America and I have not felt any shyness in saying that Maduro can be compared to Slobodan Milosevic in the case of Latin America"*.

**And remembering the posture.** In addition, the Colombian president recalled that the complaints against Maduro from the United States were *"bipartisan"* and came from both houses of Congress. He also recalled that he had denounced Maduro before the International Criminal Court (ICC) before taking office.

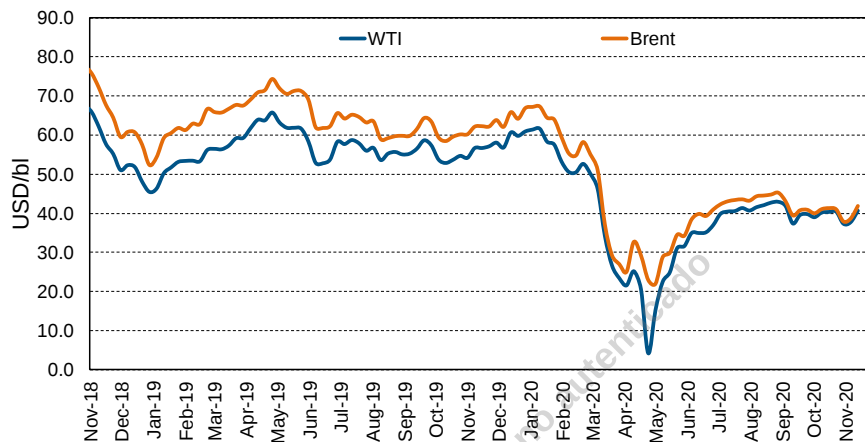
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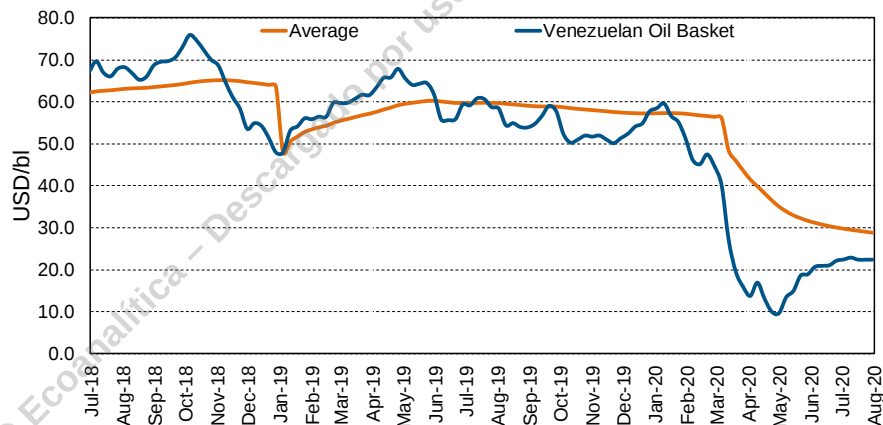
## ECONOMIC INDICATORS

**Oil Prices  
(WTI and Brent)**



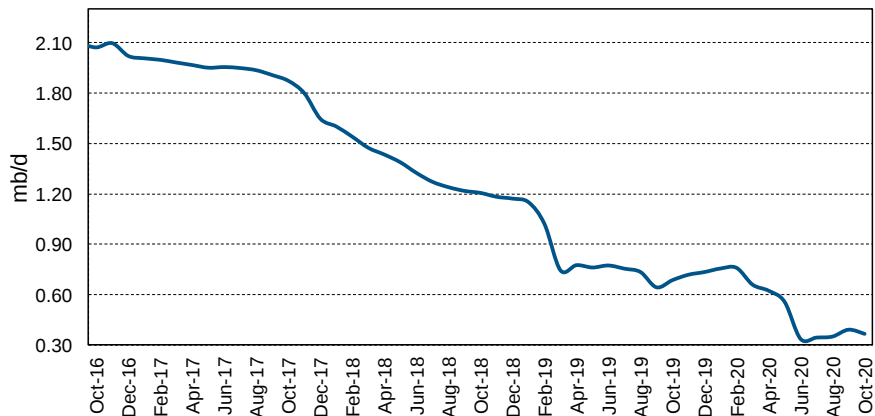
Sources: Menpet and Ecoanalítica

**Oil Price  
(Venezuelan Basket)**



Sources: Menpet and Ecoanalítica

**Oil Production  
(Secondary sources)**

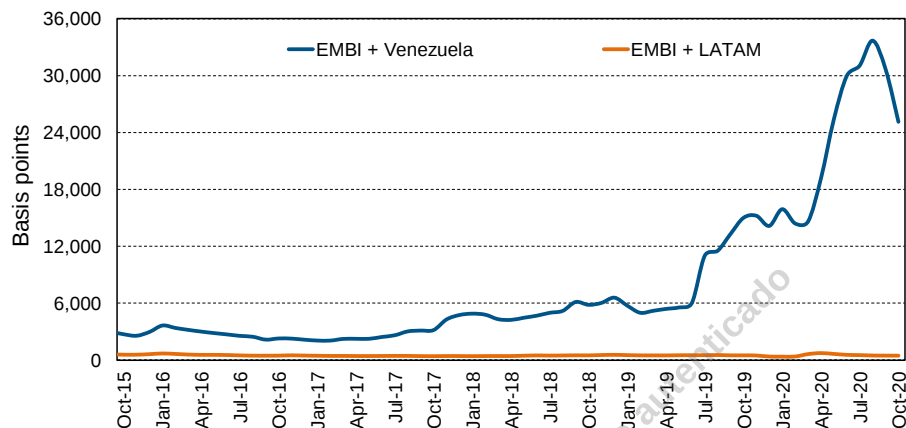


Sources: OPEC and Ecoanalítica

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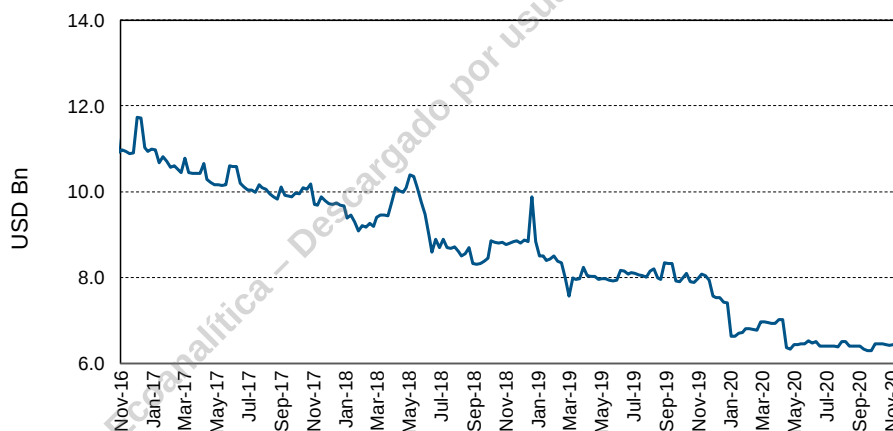
## ECONOMIC INDICATORS

### EMBI



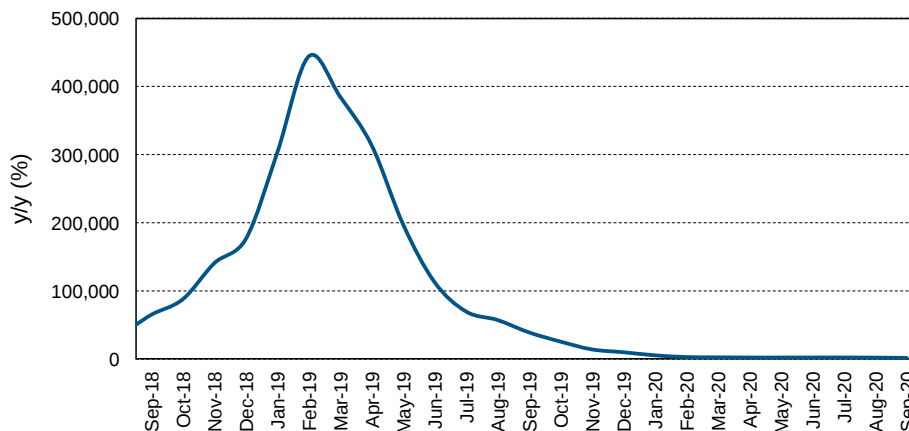
Sources: BCRP and Ecoanalítica

### FX Reserves (BCV)



Sources: BCV and Ecoanalítica

### Inflation (BCV)



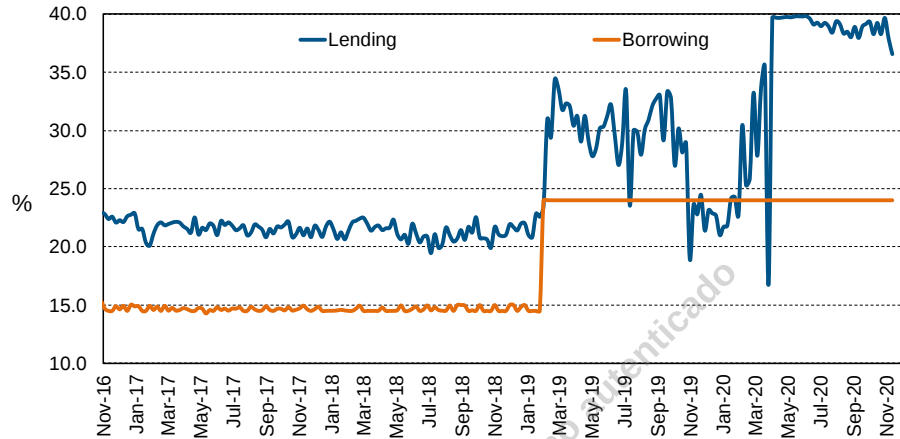
Sources: BCV and Ecoanalítica

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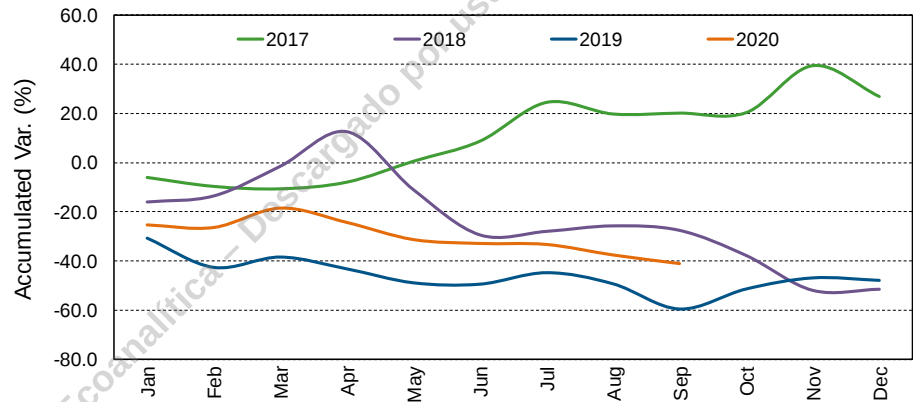
## ECONOMIC INDICATORS

**Interest Rate  
(Six major banks)**



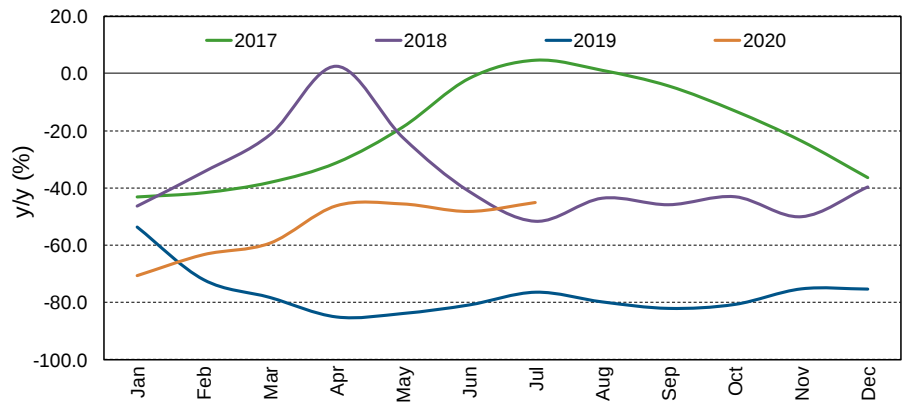
Sources: BCV and Ecoanalítica

**M2 Expansion  
(Real)**



Sources: BCV and Ecoanalítica

**Loan Portfolio  
(Real)**



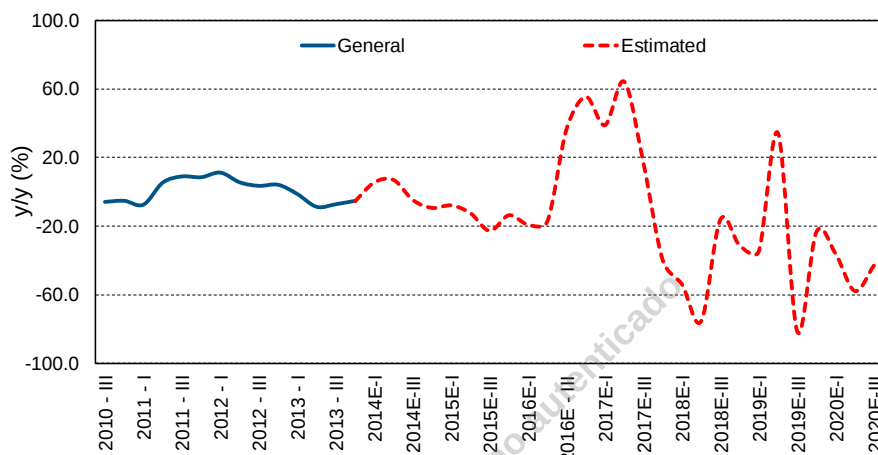
Sources: SUDEBAN and Ecoanalítica

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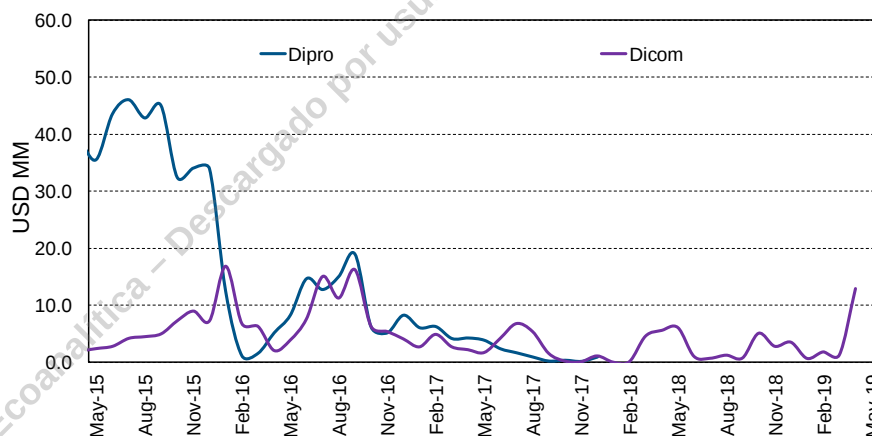
## ECONOMIC INDICATORS

Real Wage Index



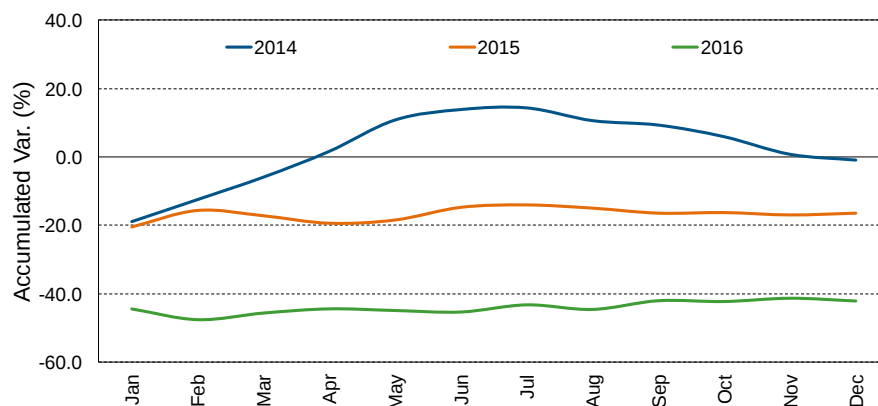
Sources: BCV and Ecoanalítica

Disbursements to the Private Sector (Daily Average)



Source: Ecoanalítica

Primary Spending NTO (Real - Central Government)



Sources: ONT and Ecoanalítica

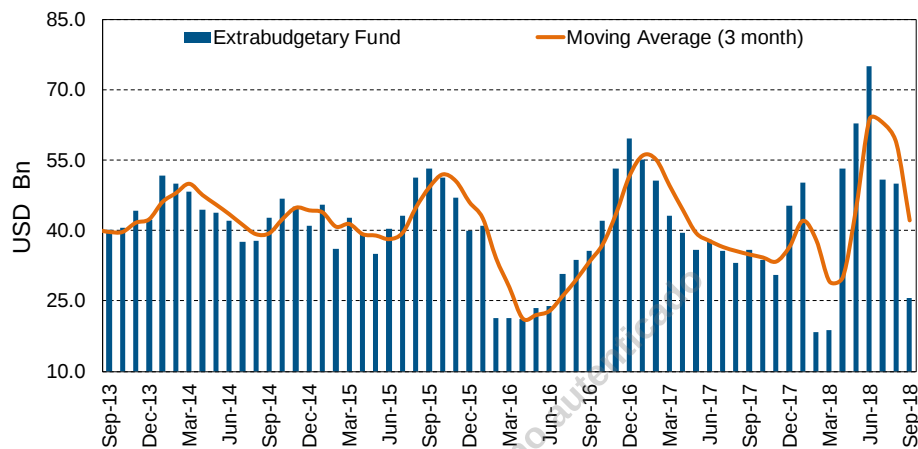
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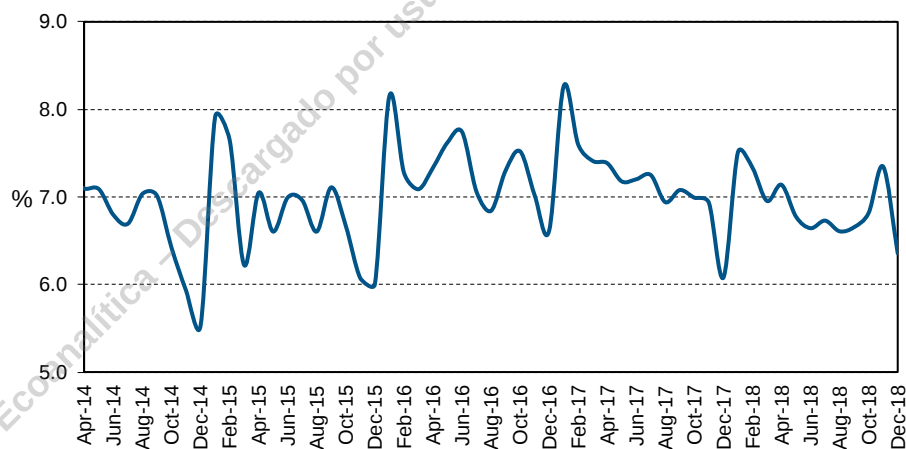
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## ECONOMIC INDICATORS

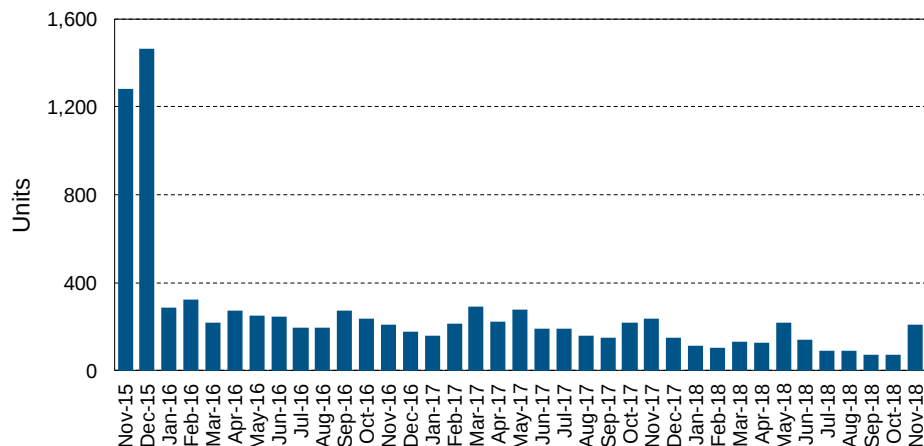
State Extrabudgetary Resources



Unemployment Rate



Vehicle Sales



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