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Venezuela: Economic Report

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VENEZUELA: ECONOMIC REPORT April 2025

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Summary

During 2025, Venezuela's economic situation will unfold under highly adverse conditions marked by significant uncertainty and instability. In addition to the tightening of relations with the new administration of President Trump, the unfavorable trajectory of the oil market will further erode Venezuela's already weakened competitiveness as a hydrocarbon producer. Concurrently, internal political instability will remain exacerbated by challenges to the legitimacy of the July 2024 election results, escalating border tensions with Guyana, a renewed electoral-political cycle, and worsening climate change-related challenges. These dynamics occur alongside a limited political and institutional capacity to absorb such negative shocks, coupled with the domestic economy's profound inability to sustain growth in such a hostile environment.

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Acronyms and Abbreviations

BCV	Central Bank of Venezuela
Bn	Billions
BRENT	Benchmark Oil Price
Bs	Bolivares (New Monetary Expression, effective from 01/10/2021)
Bs/$	Bolívar - US Dollar Exchange Rate
CIC	Credit Intermediation Coefficient
CPI	National Consumer Price Index
CEDICE	Center for the Dissemination of Economic Knowledge for Freedom
CONINDUSTRIA	Venezuelan Confederation of Industrialists
CVU	Credit Value Unit
EBR	Excess Bank Reserves
ECB	European Central Bank
EMBI	Emerging Markets Bond Index
ENCOVI	National Survey of Living Conditions
EUR	Euro
FED	Federal Reserve of USA
GDP	Gross Domestic Product
ICU	Installed Capacity Utilization
IEA	International Energy Agency
IGTF	General Tax on Large Financial Transactions
IIES-UCAB	Institute of Economic and Social Research of Andrés Bello Catholic University
IMF	International Monetary Fund
ILO	International Labor Organization
IR	International Reserves
ISLR	Venezuelan Income Tax
K	Thousands
Kb/d	Thousands of Barrels per Day
M	Millions
MB	Monetary Base
ML	Monetary Liquidity
Mb/d	Millions of Barrels per Day
NEER	Nominal Effective Exchange Rate
OER	Official Exchange Rate
OFAC	Office of Foreigns Assets Control
ORERI	Official Real Exchange Rate Index
OPEC	Organization of the Petroleum Exporting Countries
OPEC+	Organization of the Petroleum Exporting Countries expanded with the association of 10 non-member countries
PDVSA	Venezuelan State Oil Company (Petróleos de Venezuela, Sociedad Anónima)

PER	Parrallel Exchange Rate
PNEER	Parallel Nominal Effective Exchange Rate
pp	Percentage points
PPP	Purchasing Power Parity
RA	Custom Income
SENIAT	Venezuelan State Oil Company (Petróleos de Venezuela, Sociedad Anónima)
SDR	Special Drawing Rights
SUDEBAN	Venezuelan Bank Insurance Office
UAE	United Arab Emirates
UN	United Nations
USA	United States of America
USD	United States Dollar
UT	Venezuelan Tax Units
VAT	Value-Added Tax
WB	World Bank
WTI	West Texas Intermediate Benchmark Oil Price

Global Overview

This report has been prepared in the context of significant uncertainty regarding the impact of various factors on the domestic economy. In addition to internaly dynamics, special attention should be given to recent policy changes introduced by the new US administration, particularly those affecting trade, immigration, and diplomatic relations with Venezuela.

For a small, open economy that has been severely weakened after decades of political, economic, and social instability, the reinstatement of oil and financial sanctions will have a profound and lasting impact. Furthermore, new restrictions on trade with third countries are being imposed, along with the forced return of a contingent of migrants that the domestic economy can hardly absorb.

The measures, whose magnitude and intensity are yet to be clearly defined, will have a significant impact on oil production and exports and, consequently, on the pace of domestic econo- mic activity. A potential reduction in oil produc- tion of between 20% and 30%, which implies a relatively larger reduction in the country's external revenues, represents a negative shock of considerable magnitude in the context of an economy that lacks the fiscal and monetary instruments to absorb, at least partially, a shock of this size.

The expected behavior of the global economy will also not be favorable. Slow growth in global markets converges, especially in the energy market, as a consequence of weak demand, increases in

supply, and greater competition among producers. The deepening of protectionist policies, motivated by the aggressive tariff hikes announced by the US government, will translate into lower trade volumes and greater global inflationary pressures. Other important factors should be added, such as the forces promoting deglobalization and the disintegration of trade flows, with their negative effects on supply chains; the geopolitical tensions associated with the wars in the Middle East and Ukraine; and the increasing problems related to climate change that are mainly affecting the Latin American region.

In a scenario like this, a contraction of economic activity accompanied by the devaluation of the exchange rate and an acceleration of the already very high domestic inflation rate is to be expected. With a high probability, the Venezuelan economy would end up contracting this year, even taking into account the almost 70% reduction in the level of activity experienced between 2014 and 2020. This implies a reversal in the timid recovery trend of the economy that is estimated to have characterized the period 2021–2024.

The inflation rate will probably move back into the triple-digit range, not only as a consequence of the accelerated depreciation of the exchange rate but also due to the very likely recurrence of monetary financing of public spending, to "com- pensate" for the fall in oil and domestic tax reve- nues, in the face of extremely rigid fiscal spending.

The strong restrictions on adjusting public spending downwards and the fiscal dominance over monetary policy translate into increasing limitations that prevent the expansion of domestic credit, which makes it more difficult to main- tain the level of domestic economic activities and the performance of the financial sector.

This outlook reveals a great fragility in the “stabilization policy” that has been implemented by the Central Bank, through the use of the official exchange rate as the nominal anchor for prices. In fact, already during the first quarter, the official exchange rate has increased by 34% and the rate in the parallel market by 53%, with a progressive widening between both indicators.

For an economy that has contracted so significantly in a short period, contracting further, even at relative rates that might seem small, has significant implications for the level of social welfare and income distribution. The increasing informality of employment, and the inability to develop compensatory social policies, imply a setback in the timid reduction in poverty levels recorded during the first half of 2024.

The following sections examine in greater depth the relevant aspects that characterize the possible evolution of the Venezuelan macroeconomic context in 2025.

International Macroeconomic Trends

Global economic growth is facing significant challenges due to shifts in economic policy and geopolitical dynamics, particularly in the United States. Protectionist measures, such as tariff in- creases, have heightened uncertainty and adver- sely affected growth expectations, leading to a weakening of global trade. While advanced eco- nomies, including the United States and the Eu- rozone, are projected to grow at moderate rates (1.7% and 0.9%, respectively), emerging markets, particularly in Asia, are expected to expand at a significantly higher pace (4.7%). In Latin America, economic growth remains subdued, with Mexico (1.4%) and Brazil (2.2%) experiencing slowdowns, although Argentina is anticipated to recover with a 5% growth rate following years of economic contraction (Table 1).

Interest rates, on the other hand, have generally exhibited a downward trend; however, disparities in growth trajectories and inflation levels have led to divergences in monetary policy. In advanced economies, the Federal Reserve and the European Central Bank (ECB) have considered pausing interest rate reductions due to emerging inflationary pressures. In contrast, in emerging markets, further rate cuts appear constrained by factors such as currency depreciation and the tightening of U.S. trade policies, which may pose risks to regional financial stability (Figure 1).

Inflationary pressures persist, driven by expansionary fiscal policies, migration restrictions, and increased tariffs, potentially slowing disinflationary trends in advanced economies. In Latin America, inflation has declined significantly (from 16.8% to 8.5%), primarily due to economic stabilization in Argentina; however, Venezuela continues to experience hyperinflation. Conversely, China faces deflationary risks, exacerbated by weak domestic demand and an unresolved real estate crisis, which could have negative spillover effects on its Latin American trading partners (Table 2).

Other global risks include the potential for stagflation, market fragmentation, and supply chain disrup- tions. In advanced economies, the appreciation of the U.S. dollar and increased financial market volatility could hinder growth and monetary stability. Meanwhile, emerging markets face heightened economic vulnerabilities due to their dependence on Chinese trade and the uncertainty surrounding U.S. economic policies. In Latin America, the combined effects of trade restrictions and declining remittance inflows could further impede economic development.

Ultimately, the interplay of economic, geopolitical, and environmental risks complicates the prospects for global stability and growth. While advanced economies contend with policy uncertainty in the United States and the Eurozone, emerging markets must navigate China's economic deceleration and fluctuations in investment flows. Latin America faces structural and external constraints that undermine its growth potential, raising concerns regarding fiscal sustainability and the region's capacity to adapt to an increasingly volatile global landscape.

Oil Sector

The oil market in 2025 faces a decline in prices due to supply growth outpacing the moderate evolution of global demand. Brent and WTI prices are expected to decrease by 8% compared to 2024, reaching $74.3 and $70.3 per barrel, respectively (Figure 2). This decline reflects increased production from non-OPEC+ countries (Table 3), such as Brazil, Canada, and the U.S., as well as uncertainty regarding compliance with production cuts within the cartel. On the demand side, growth will be concentrated in emerging economies, particularly India, while Europe and Japan will experience a contraction in consumption. Weak demand in China adds further downward pressure on prices, which could intensify if OPEC+ suspends its planned production cuts. (Table 4).

Merey 16 crude prices will continue their downward trend, with an estimated average of $63.2 per barrel, reflecting a 3% decrease compared to 2024 (Figure 3). Beyond global price trends, Venezuela faces additional challenges due to the suspension of U.S. License 41, which restricts crude exports to traditional markets. As a result, PDVSA must seek buyers in Asia, offering significant discounts and bearing higher transportation costs. Competition with other sanctioned producers, such as Russia and Iran, also exerts downward pressure on prices, potentially reducing Venezuela's oil revenues by 25% to 30%, severely impacting the country's economic stability.

Economic Activity Level

In 2025, Venezuela's GDP is expected to contract by over 2% due to the negative impact of U.S. sanctions on the oil sector, reversing the economic recovery seen between 2021 and 2024. The petroleum sector, which expanded by nearly 15% in 2024, is projected to shrink by 12%, significant- ly affecting the national economy given its histo- rical role in GDP composition. Despite the non-oil sector accounting for approximately 80% of total output, it is also anticipated to decline by 1% to 1.5%, reflecting structural weaknesses and the indirect consequences of reduced oil revenues (See Figure 4). In contrast, major Latin American economies continue to show relatively stable or growing per capita GDP, highlighting Venezuela's persistent economic decline.

The country has suffered a drastic 73% reduction in per capita GDP since 2013, exacerbated by political instability and mass emigration. While modest growth is expected in sectors such as communications, commerce, and manufacturing, others, including construction, utilities, and financial services, are likely to stagnate. If GDP per capita remains stagnant in 2025, Venezuela will continue to lag behind its regional peers, widening the gap with the leading Latin American economies in terms of economic performance and living standards (Figure 5).

External Sector

Venezuela's external sector is expected to un- dergo a significant contraction in 2025, primarily due to the expiration of OFAC License 41B, which previously allowed operations by ChevCorp. This development will result in a 20% decline in crude oil export volumes and a 34% reduction in export value, exacerbated by an estimated 30% discount applied to Venezuela's Merey crude in secondary markets. The resulting loss in oil revenue is pro- jected to exceed US$ 3.4 billion, contributing to an overall decline of approximately 31% in total exports relative to 2024, amounting to a decrea- se of US$ 6 billion (Figure 6).

While non-oil exports are expected to remain relatively stable at around US$ 3 billion, their share in the export portfolio will only appear to increase due to the sharp decline in oil-related exports. U.S. trade sanctions are not anticipated to significantly impact non-oil exports, given that trade volumes with the United States are marginal (approximately US$ 200 million) and primarily concentrated in low-elasticity goods.

Remittance inflows—another vital source of external income—are projected to decline to between US$ 2.8 and 3.0 billion, down from an estimated US$ 3.8 billion in 2024, largely as a consequence of tightening U.S. immigration poli cies. This decline occurs within a broader context of continued current account deficits and lack of access to international credit markets, leading to stagnant international reserves, which are estimated to remain near US$ 10 billion.

The country also faces significant external liabilities. Venezuela's total public external debt exceeds US$ 170 billion, including approximately US$ 70 billion in sovereign and PDVSA-issued bonds. Within this context, legal disputes related to the liquidation of Citgo—a critical asset pledged as collateral for the PDVSA 2020 bond—have intensified. According to the International Centre for Settlement of Investment Disputes (CIAD), outstanding claims from corporations such as Crystallex, ConocoPhillips, and ExxonMobil amount to over US$ 17 billion, while Citgo's estimated market value is insufficient to cover even half of these claims.

The contraction in oil revenues is expected to exert upward pressure on the exchange rate. Despite interventions by the Central Bank of Venezuela (BCV) to narrow the spread between official and parallel rates, the differential is pro jected to reach 50%, indicating a continued real exchange rate appreciation (Figure 7). A 40% reduction in the supply of foreign currency in the formal exchange market will further limit the BCV's capacity to stabilize the exchange rate. These dynamics, combined with factors such as increased dollar-indexed public spending, heigh tened domestic political uncertainty, and the po tential reinstatement of international sanctions, will likely result in higher inflation and a dee-pening of the dollarization process. In this envi-ronment, an increase in "dollar inflation" is also expected, driven by the imposition of prices in bolívares at official exchange rates that diverge significantly from market rates.

Fiscal Aggregates

In 2024, Venezuela's tax revenue reached a sig-ni- ficant level of 22.1% of GDP, a substantial increa-se compared to 2023. This growth was primarily driven by the Income Tax (ISLR), which contri-buted over 60% of the increase, followed by VAT and Customs Income (RA) with 14% and 13%, res-pectively. This result was linked to the growth of the non-oil GDP and the impact of the exchange rate depreciation, which affected the collection of taxes on imports. Despite the increase, the tax structure maintained historical patterns, with ISLR representing 20%, VAT 43%, and RA 25% of the total revenue collected by SENIAT (Figure 8).

Regarding fiscal income from the oil sector, that might end up reaching 9% of GDP in 2024, a sig-nificant decrease is expected for 2025 due to the suspension of Chevron's activities. The drop in oil production will affect PDVSA's ability to generate royalties, worsening the reliance on monetary fi-nancing and domestic debt issuance, a phenome-non already evident in the growing fiscal deficit. Venezuela's country risk, measured by the EMBI, remains the highest in Latin America, reflecting the country's fiscal vulne- rability (Figure 9).

Despite some attempts at tax reforms, internal debt and monetary issuance continue to be pri-mary sources of government financing. Compared to other Latin American countries, Venezuela's EMBI is significantly higher, underscoring the lack of confidence in the country's economic stability.

Monetary Aggregates

In the Venezuelan eco-nomy, characterized by fis- cal dominance and a de-facto dollarization pro-cess, monetary aggregates and inflation heavily depend on external resource flows. In 2024, the increase in the supply of foreign currency from Chevron Corp.'s oil exports to the United States allowed some easing of monetary policy, but this did not lead to a significant reduction in infla-tion, reflecting the country's structural macro-economic fragility. For 2025, an increase in the monetary base (MB) is expected due to Chevron's exit, with a projected expansion of 257%, whi-le liquidity (M2) would grow at a more moderate rate of 162%. This indicates a return to fiscal do-minance, where the growth of the monetary base surpasses that of liquidity (Figure 10).

Additionally, the monetary multiplier will de-crease in 2025, replicating the cyclical pattern of previous years (Figure 11) Although the gover-nment has implemented some temporary measu-res to control the bank reserve shortfall, mone-tary policy remains limited in a context of high inflation and a strong preference for the do- llar, which restricts the ability to effectively ma- nage monetary aggregates.

Real Economy

During the 2023-2024 period, Venezuela's private manufacturing sector demonstrated moderate growth, with increases in the industrial production volume index of 2.3% and 1.9%, respectively. (See Table 5) This performance, as reported by the Statistical Information System (SIEC) and the Industrial Survey of Conindustria (ECI), is significant, given the prolonged contraction experienced in previous years. However, the growth has been marked by substantial heterogeneity across industrial branches and firm sizes. For instance, the Automotive and Auto Parts subsector recorded the highest growth, with peak annual rates of up to 68.2% in 2023, whereas sectors such as Machinery and Equipment experienced consecutive contractions. Similarly, large firms exhibited more stable and sustained performance, while smaller firms showed a marked loss of momentum. This asymmetry suggests that the growth observed has not been structural or broadly inclusive but rather a partial recovery driven by limited drivers. The reliance on previously idle production capacity also underscores the fragility of the sector's expansion and raises concerns regarding the sustainability of this growth in the medium term.

An essential aspect for understanding the industrial sector's performance lies in the use of installed capacity, which has reached a five-year peak average of 47%. This trend indicates that recent growth has predominantly relied on the reactivation of idle resources rather than an actual expansion of productive capacity. The industrial branches with the highest levels of installed capacity utilization—namely, Food (52%), Pharma ceuticals (63%), and Machinery and Equipment (70%)—are largely composed of large enterprises, reinforcing the notion that such firms possess greater resilience to adverse macroeconomic conditions. However, many of these branches are highly dependent on final consumption, rendering them vulnerable in the face of economic shocks. Moreover, the declining performance of small firms, often representative of entrepreneurial and early-stage ventures, calls into question the sector's capacity to generate inclusive and sustained development. Limited access to financial instruments and mechanisms to mitigate systemic risks emerge as critical constraints on the growth potential of these smaller enterprises.

Despite the modest growth reported, industrial sector expectations for 2025 have significantly deteriorated, according to qualitative data from the third and fourth quarters of the 2024 ECI. While over 80% of firms indicated increased production compared to the previous year, the downward trend in secured working days and reduced sales expectations reflect growing uncertainty. The most frequently cited barriers to industrial growth include high tax burdens (84%), fuel supply issues (73%), competition from imported goods (64%), political uncertainty (56%), and macroeconomic instability (53%). Notably, concern over the macroeconomic environment has increased markedly—driven by rising inflation—which now rivals external competitiveness as a key obstacle. These deteriorating expectations are further evidenced by the significant decline in the proportion of firms anticipating improved economic conditions over the next year, falling from 38% to just 5%. In light of these factors, and considering the evolution of inflation, exchange rate distortions, and instability in the financial sector, a meaningful recovery in industrial growth appears unlikely without substantial structural reforms. (Figure 12).

Banking Sector

Starting in the third quarter of 2024, the monetary policies implemented in October 2024 and February 2025 introduced restrictive conditions within the banking environment, significantly increasing costs for financial institutions. These measures directly affected banking liquidity, hindering credit intermediation (Figure 16). Specifically, liquidity management became more challenging due to the high demand for resour- ces to meet required bank reserves, resulting in an increase in reserve deficits, particularly in the fourth quarter of 2024. Exchange rate deprecia- tion also played an important role in this dyna- mic, temporarily favoring bank revenues derived from foreign-currency-indexed loans. However, these benefits were not underpinned by structu- ral stability.

Base money experienced a significant increa- se during the first half of 2024, with an average monthly growth rate of 11.5%, which allowed for a temporary improvement in excess bank reserves and a reduction in reserve deficits (Figure 17). This expansion in base money facilitated the ability of banking institutions to reduce deficits without significantly affecting their loan portfolios. However, starting in October 2024, monetary policy was tightened once again, increasing the required reserve coefficient, which raised liquidity requirements for banks. This abrupt adjustment had an immediate and negative impact on reserve deficits, reversing the progress made in terms of excess reserves.

In October 2024, the government implemented a set of restrictive measures on the legal reserve requirement, eliminating previous discounts and introducing new restrictions that significantly increased reserve requirements. This measure had a severe impact on the banks' ability to quickly adjust to the new requirements, resulting in an increase in reserve deficits. Between October 2024 and February 2025, the deficits increased in comparison to the first half of 2024, forcing banks to bear higher costs associated with reserve deficiencies. These costs increased notably due to the rise in the COFIDE rate, which escalated from 46.1% to 257.8% on an annualized basis, further exacerbating the liquidity situation of banking institutions (Figure 18).

Bank instruments played a key role in managing liquidity in the context of restrictive monetary measures. The adjustment in the reserve coefficient also affected banks' ability to use these instruments efficiently. In particular, the elimination of discounts related to coverage bonds and foreign exchange operations limited the banks' ability to manage volatility in their reserve holdings. Furthermore, the monetary policy adjustment at the beginning of 2025 also affected the demand for bank instruments as a means to meet reserve requirements. The reduction in discounts on these instruments limited the banks' options to mitigate the negative effects of the new requirements, impacting liquidity management and increasing associated operational costs.

Despite the difficulties in managing liquidity, the financial revenues of banks increased substantially, particularly due to the depreciation of the exchange rate starting in October 2024. This phenomenon increased revenues derived from indexed loans, enabling banks to record additional net profits (Figure 19). However, operational revenues were not sufficient to fully offset the negative effects of liquidity restrictions and legal reserve requirements. As the economic situation became more restrictive, operational revenues continued to grow at a moderate pace, driven by increased transactional volumes in banking channels and some adjustments in fees. Nonetheless, the overall environment remained challenging for non-financial services. This reflects a disconnect between the improvement in financial revenues and the operational challenges faced by banks within a context of high inflation and exchange rate restrictions.

Job Market and Salaries

The current state of labor remuneration in Ve- nezuela reveals a deep-rooted deterioration in income levels across both the public and priva- te sectors. The sustained decline in purchasing power—exacerbated by accelerating inflation since the third quarter of 2024—has further ero- ded household disposable income, significantly weakening domestic demand. In the formal sec- tor, which employs 53% of the labor force, real wages have contracted due to the private sec- tor's limited capacity to adjust wages and the pu- blic sector's fiscal policy centered on expenditu- re containment through wage suppression. By the end of March 2025, the minimum monthly income for a public employee stood at USD 119, of which a mere 1.6% corresponded to base salary, with the remaining 98.4% disbursed via bonuses—pri- marily the "economic war bonus," indexed to the official exchange rate (Figure 13). This structural substitution of wages with discretionary transfers has undermined traditional mechanisms of social protection and collective bargaining, consolidating a fragmented compensation model highly dependent on state discretion. Conse- quently, this undermines individuals' and fami- lies' ability to engage in medium- and long-term financial planning.

While private sector wages surpass those in the public sector, they remain insufficient to meet the basic cost of living. By the end of 2024, the family food basket was estimated around USD 663, according to CEDICE (Figure 13). In ma- nufacturing, average monthly salaries reached USD 230 for manual laborers, USD 460 for professionals and technicians, and USD 1,048 for managerial staff (Figure 15). In contrast, in Caracas' commercial and services sector, the averages were USD 222, USD 338, and USD 512, respectively; highlighting considerable internal segmentation. Additionally, wage disparities across regions are stark: while Caracas workers average USD 110 per month, workers in Anzoátegui earn as little as USD 93. This uneven wage distribution has led private firms to develop non-monetary compensation strategies to retain skilled labor. Nevertheless, most workers, including professionals, remain below the income threshold necessary for a dignified standard of living. This struc- tural inadequacy fuels informality, labor poverty, and mass emigration, posing significant challenges to labor market cohesion and socio-economic stability.

Despite growing union demands to raise the minimum wage—such as the Venezuelan Trade Union Network's proposal to set it at USD 200—prospects for wage improvements in 2025 remain limited. Fiscal constraints, the tightening of oil-related sanctions, and a projected decline in economic activity hinder the viability of redistributive wage policies. While tripartite negotiations promoted by the ILO have resumed, no clear consensus has emerged to revalue the minimum wage under a technically sound and socially agreed framework. In parallel, the government has implemented a temporary reduction in working hours in the public sector—cutting the workweek to three days of half-day shifts—ostensibly to conserve energy amid adverse climatic conditions. However, this measure may also serve as a strategy to curtail public expenditure without altering nominal wages. Although remuneration levels remain unchanged on paper, reduced work hours are likely to drive public workers into informal economic activities to offset income shortfalls. This dynamic further entrenches labor market precariousness, deepens disparities between formal and informal employment, and exacerbates the gap between public and private sector compensation.

Economic Policy Measures

Policy Area	Measure	Instrument	Objective
Fiscal	Issuance of Promissory Notes up to Bs 20,000 million for internal and external management	Issuance of Promissory Notes	Guarantee the availability of resources for public administration
	Issuance of Public Debt Bonds	Issuance of Bonds	
Productive	Establishment of urgent special measures to guarantee food production in the state of Zulia	Establishment of an administrative board which will temporarily occupy the establishments involved in the production chains of foods of interest	Guarantee the availability of food and the sustainability of its production
	Exemption of VAT and import taxes on certain goods necessary for manufacturing, agricultural, agro-industrial production, or basic necessities	Exemption of VAT and import taxes	Guarantee the production and availability of strategic items
	Exemption of VAT, import taxes, and other taxes on definitive imports and sales of hydrocarbon-derived fuels, as well as inputs and additives intended to improve gasoline quality.	Exemption of various taxes	Guarantee the availability of fuel for the general population
	Partial Regulation of the Decree with Rank, Value, and Force of Organic Law that reserves to the state the activities of exploration and exploitation of gold and other strategic minerals concerning mining brigades	Legal framework	Stimulate formal organization of natural persons engaged in small-scale mining, as well as their participation in the mining production process.
	Establishment of urban and suburban passenger fares	Establishment of the maximum and minimum fares for urban and suburban routes	Guarantee the right to public transportation for the population
	Establishment and implementation of tariffs for services and activities related to the aquatic sector and land transportation services provided by the National Institute of Aquatic Spaces, as well as those natural or legal persons duly authorized to provide services at the ship-port interface established in this instrument	Establishment of fares	Guarantee the right to public transportation for the population
Laboral	Decree of Labor Immobility	Organic Labor Law	Protect the employment of public and private workers
Social	Exemption of VAT on sales made within the "School Supply and Distribution Plan 2024-2025" operation	Exemption of VAT	Guarantee the provision of school supplies to the population at affordable prices
Exterior	Creation of the Ministry of People's Power for Foreign Trade	Creation of Ministry	Promote foreign trade and foreign investment
	Creation of the Foreign Trade Committee, with the competencies to evaluate and decide on applications for Certificates of Non-National Production or Insufficient National Production	Permanent presidential commission	Decide on applications for Certificates of Non-National Production or Insufficient National Production, submitted by importers for the purpose of enjoying the benefits of exemption or exoneration provided for in the Organic Customs Law and the VAT law.
	Establishment of Customs Exemptions.	Establishment of Customs Exemptions.	Guarantee adequate production conditions for strategic items.

Source: Venezuelan Government (2025), official announcements

Macroeconomic Proyections

Aggregates and Macroeconomic Indicators								
Variables	Measure Unit		2020	2021	2022 (e)	2023 (e)	2024 (e)	2025 (P)
REAL SECTOR								
Real GDP		Var %	-28.10	5.40	7.20	4.63	3.79	-2.05
MONETARY SECTOR								
Monetary Liquidity	End Period	Var %	1,286.81	646.60	347.22	268.21	151.76	147.28
Monetary Base		Var %	1,232.04	397.92	563.44	151.53	183.78	236.08
Inflation	CPI (Year)	Var %	2,959.84	686.38	234.08	189.78	50.22	220.94
PUBLIC SECTOR								
Restricted Public Sector Income		% PIB	8.09	9.22	11.70	12.70	16.00	21.60
Restricted Public Sector Expenses		% PIB	18.13	18.13	23.80	25.15	29.00	33.79
Restricted Public Sector Fiscal Balance		% PIB	-10.04	-8.91	-12.10	-12.45	-13.00	-12.20
Public Sector External Debt	End Period	% Exports	2,338.07	1,602.68	927.40	989.24	900.81	1,320.69
EXTERNAL SECTOR								
Exports		Billion$	6.68	10.14	17.69	16.91	18.93	13.16
Imports		Billion$	9.79	11.91	17.54	18.03	18.72	16.26
International Reserves		Billion$	6.37	10.92	9.92	9.67	10.26	9.41
Official Real Exchange Rate Index	Base 01/2019	Index	34.79	19.75	23.97	17.57	17.41	17.59
Merey 16 Oil Prices	Average	$/b	28.12	51.12	78.62	61.74	65.01	63.19

(e): estimated values, (p): proyected values

Sources: BCV (2025), OPEC (2025), and own calculations.

Tables

Table 1: World Economic Outlook: economic growth (%)

Region/Country	2021	2022	2023	2024	2025
World	6.5	3.5	3.2	3.2	3.3
Advanced Economies	5.7	2.6	1.6	1.8	1.8
Emerging Markets	7.0	4.1	4.3	4.2	4.2
Latin America and the Caribbean	7.3	4.2	2.3	2.1	2.5
United States	5.8	1.9	2.5	2.8	1.7
Japan	2.6	1.0	1.9	0.3	1.1
Euro Zone	5.9	3.4	0.5	0.7	0.9
China	8.5	3.0	5.2	4.8	4.6
Russia	6.0	-1.2	3.6	3.6	1.4
India	9.7	7.0	7.8	7.0	6.5
Brazil	4.8	3.0	2.9	3.0	2.2
Mexico	5.7	3.9	3.2	1.5	1.4
Argentina	10.7	5.0	-1.6	-3.5	5.0
Chile	11.3	2.1	0.2	2.5	2.4
Colombia	10.8	7.3	0.6	1.6	2.5
Peru	13.4	2.7	-0.6	3.0	2.6
Venezuela	5.4	7.2	4.6	3.8	0.3

Source: IMF, 2025 ; World Bank, 2025, and own calculations.

Table 2: World Economic Outlook: inflation (%)

Region/Country	2021	2022	2023	2024	2025
World	4.7	8.7	6.8	5.8	4.3
Advanced Economies	3.1	7.3	4.6	2.6	2.0
Emerging Markets	5.9	9.8	8.3	7.9	5.9
Latin America and the Caribbean	9.8	14.0	14.4	16.8	8.5
United States	4.7	8.0	4.1	3.0	2.8
Japan	-0.2	2.5	3.3	2.2	2.0
Euro Zone	2.6	8.4	5.4	2.4	2.3
China	0.9	2.0	0.2	0.4	1.7
Russia	6.7	13.8	5.9	7.9	5.9
India	5.5	6.7	5.4	4.4	4.1
Brazil	8.3	9.3	4.6	4.3	3.6
Mexico	5.7	7.9	5.5	4.7	3.8
Argentina	48.4	72.4	133.5	229.8	62.7
Chile	4.5	11.6	7.6	3.9	4.2
Colombia	3.5	10.2	11.7	6.7	4.5
Peru	4.0	7.9	6.3	2.5	1.9
Venezuela	686.4	234.1	189.8	50.2	96.2

Source: IMF (2025)

Table 3: World production of oil and other liquid fuels (Mb/d)

Regions/Countries	2024	2025
World	102.6	104.4
OPEC+	42.6	42.9
No OPEC	60.0	61.5
Saudi Arabia	10.7	10.8
Argelia	1.4	1.4
Argentina	0.9	0.9
Brazil	4.3	4.4
Canada	6.0	6.3
Qatar	1.9	1.9
China	5.3	5.4
Colombia	0.8	0.8
United States	22.7	23.1
UAE	4.2	4.2
Guyana	0.6	0.8
India	1.0	1.0
Indonesia	0.9	0.9
Iraq	4.5	4.6
Iran	4.5	4.6
Kuwait	2.8	2.8
Lybia	1.2	1.2
Malaysia	0.6	0.6
Mexico	2.0	1.9
Nigeria	1.6	1.6
Norway	2.0	2.1
Oman	1.0	1.0
Russia	10.5	10.5

Source: EIA (2025)

Table 4: World consumption of oil and other liquid fuels (Mb/d)

Regions and Countries	2024	2025
World	102.8	104.1
North America	24.5	24.8
South and Central America	6.8	6.9
Europe	14.3	14.2
Middle East	9.6	9.7
Asia and Oceania	37.9	38.2
Africa	4.6	4.7
United States	20.3	20.5
China	16.3	16.5
India	5.5	5.8
Japan	3.2	3.2

Source: EIA (2025)

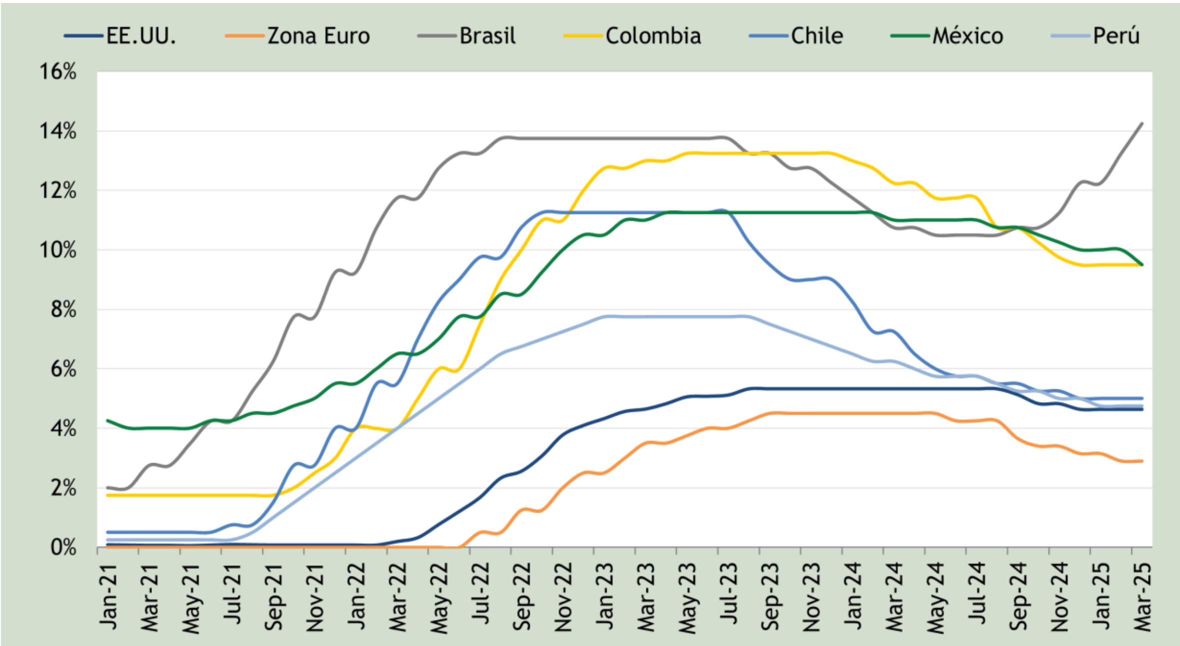
Table 5: Average and point growth rate of the manufacturing sector

	Average		Specific	
	2023	2024	2023	2024
Manufacturing	**2.3%**	**1.9%**	**5.6%**	**11.4%**
Wood and Paper	9.5%	5.2%	53.1%	0.7%
Textile and Footwear	2.9%	-0.3%	2.6%	-15.5%
Plastic and Rubber	1.0%	3.4%	-11.3%	8.7%
Chemical	7.0%	-0.1%	83.7%	-25.1%
Pharmaceutical	6.6%	8.4%	-40.8%	62.6%
Metals and Metal Products	5.0%	19.6%	-58.3%	57.3%
Sutomotive and Auto Parts	10.5%	8.7%	68.2%	51.0%
Non-Metallic Products	10.5%	1.9%	16.0%	-14.3%
Machinery and Equipment non classified	-0.2%	-1.3%	-20.6%	-25.5%
Food	1.9%	1.3%	2.5%	1.2%
Beverages	4.7%	4.6%	16.1%	28.0%
Other industries	4.6%	10.5%	-23.9%	155.0%
Small Business	**4.8%**	**0.4%**	**26.1%**	**-25.7%**
Medium Business	**1.2%**	**4.5%**	**-11.9%**	**12.3%**
Large Business	**2.3%**	**2.6%**	**5.8%**	**21.4%**

Source: CONINDUSTRIA, (2025)

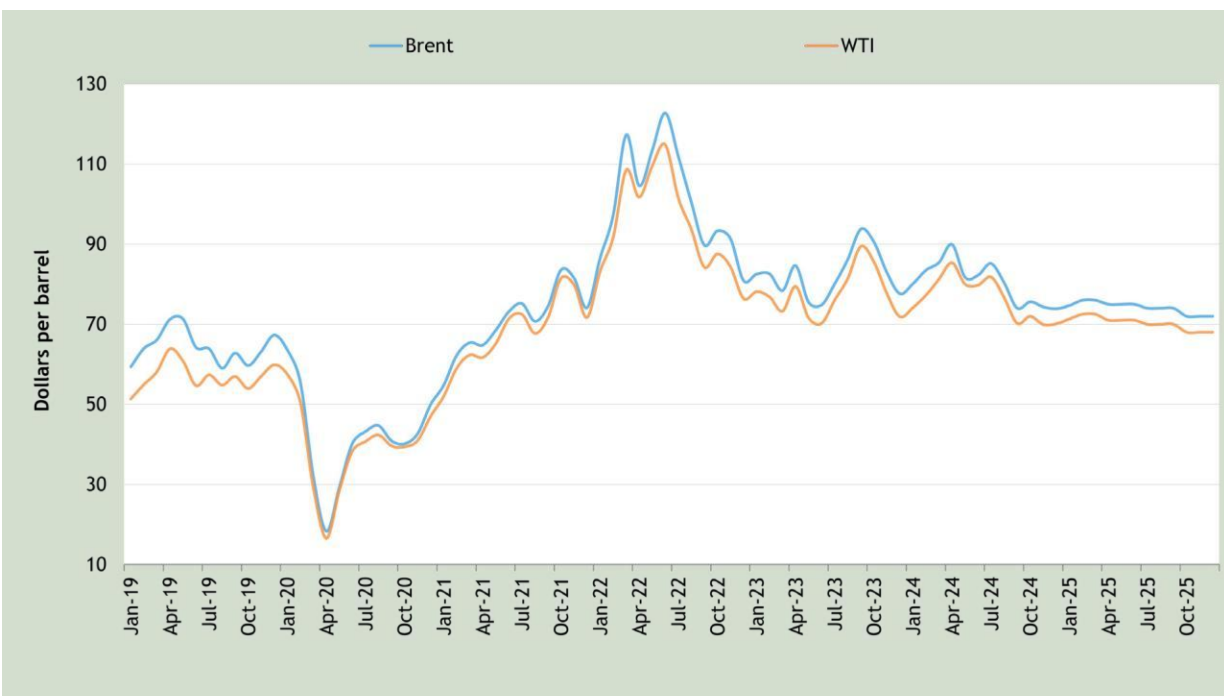
Figures

Figure 1: Monetary policy interest rates (%)



Source: FRED, 2025; European Central Bank, 2025; Banco Central do Brasil, 2025; (Banco de la República de Colombia, 2025); Banco Central de Reserva de Perú, 2025; Banco Central Chile, 2025; (Banco de México, 2025)

Figure 2: Evolution of the international oil price

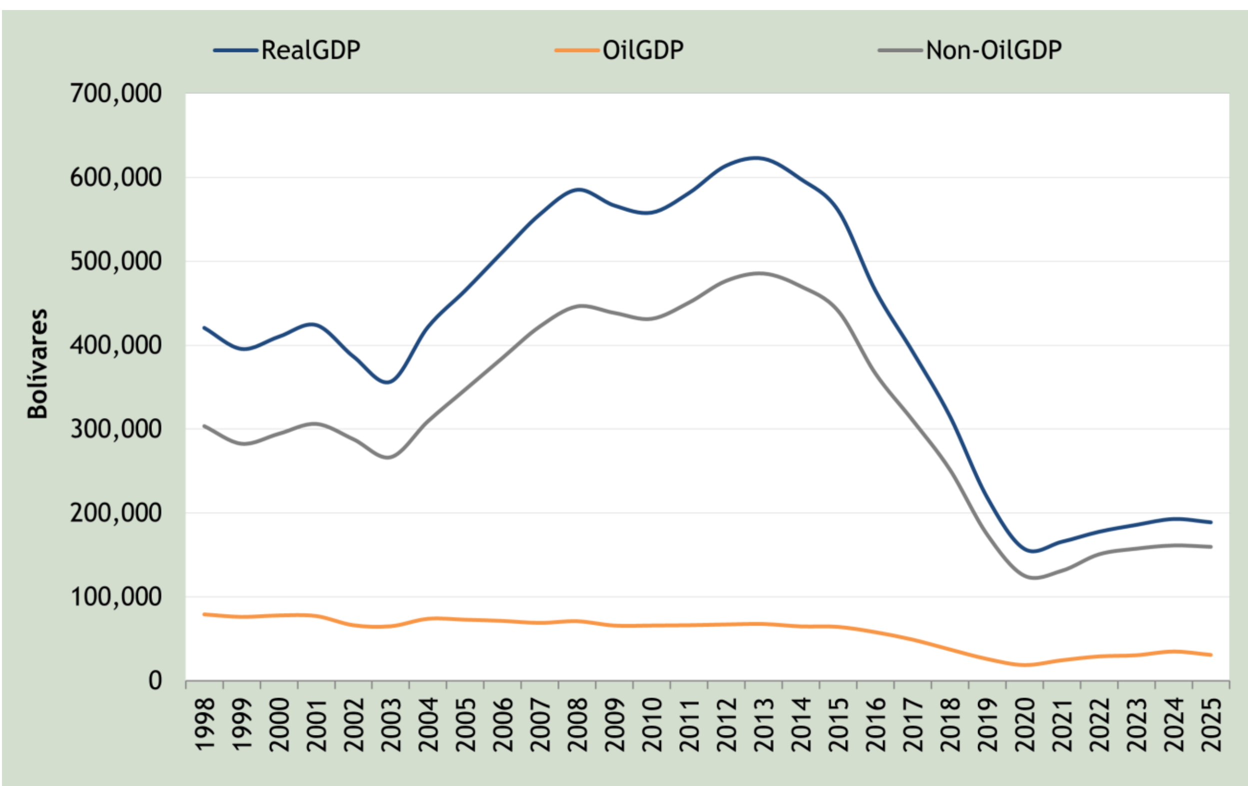


Source: EIA (2025)

Figure 3: Evolution of Brent and Merey16

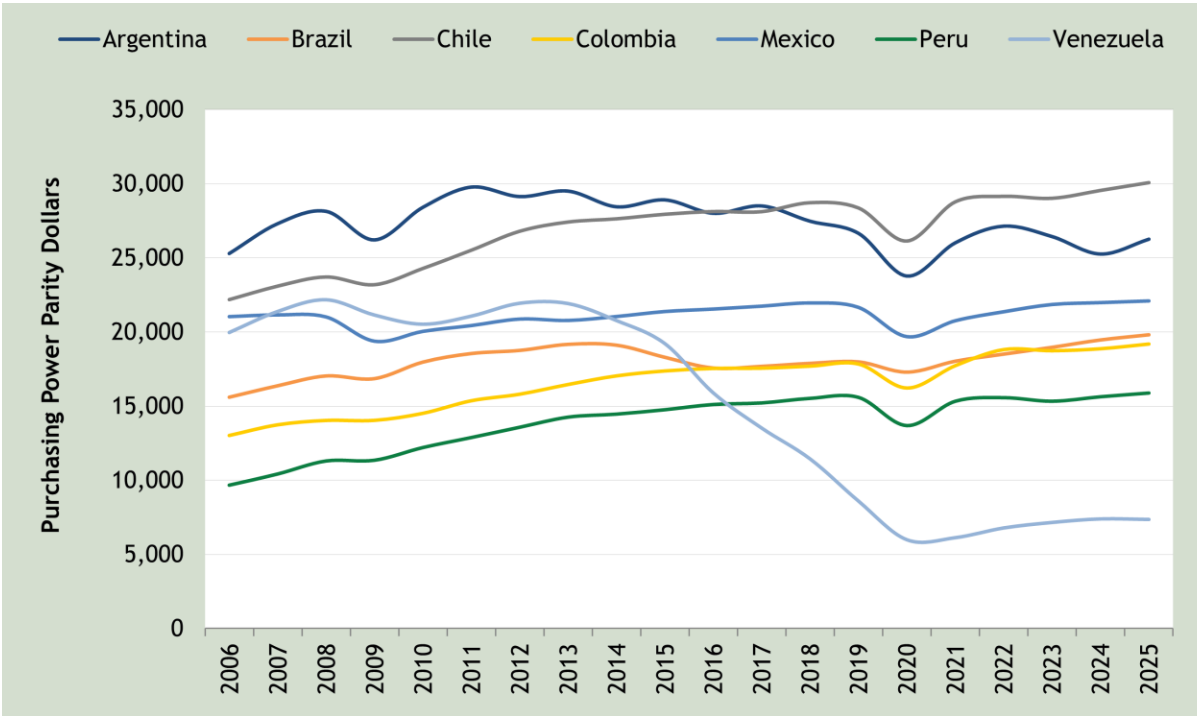
Source: EIA (2025), OPEC (2025), and own calculations.

Figure 4: Evolution of total, oil, and non-oil real GDP (Base 1997)



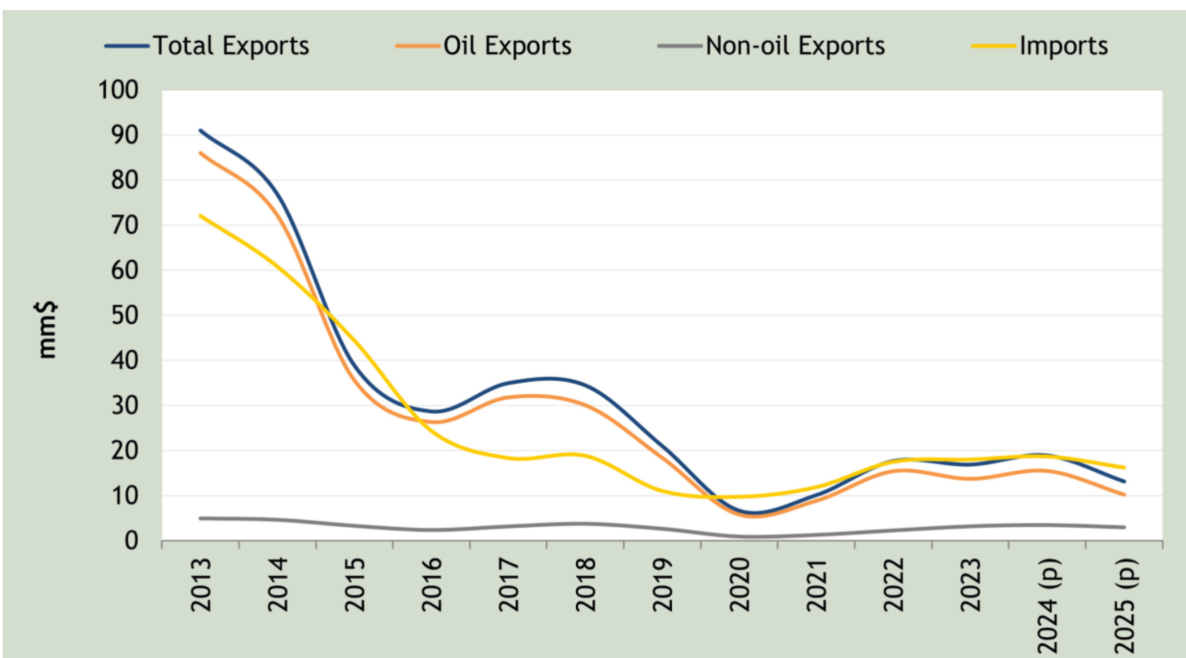
Source: BCV (2025) and own calculations.

Figure 5: Evolution of per capita GDP



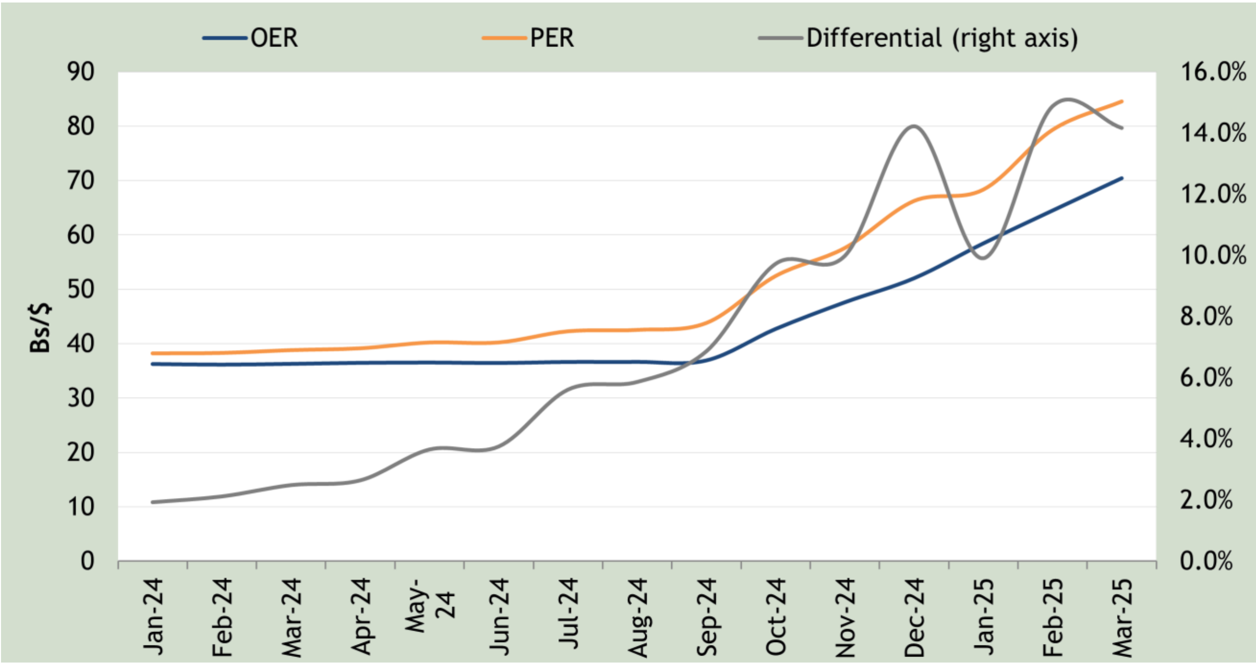
Source: IMF (2025)

Figure 6: Venezuela. Foreign trade flows



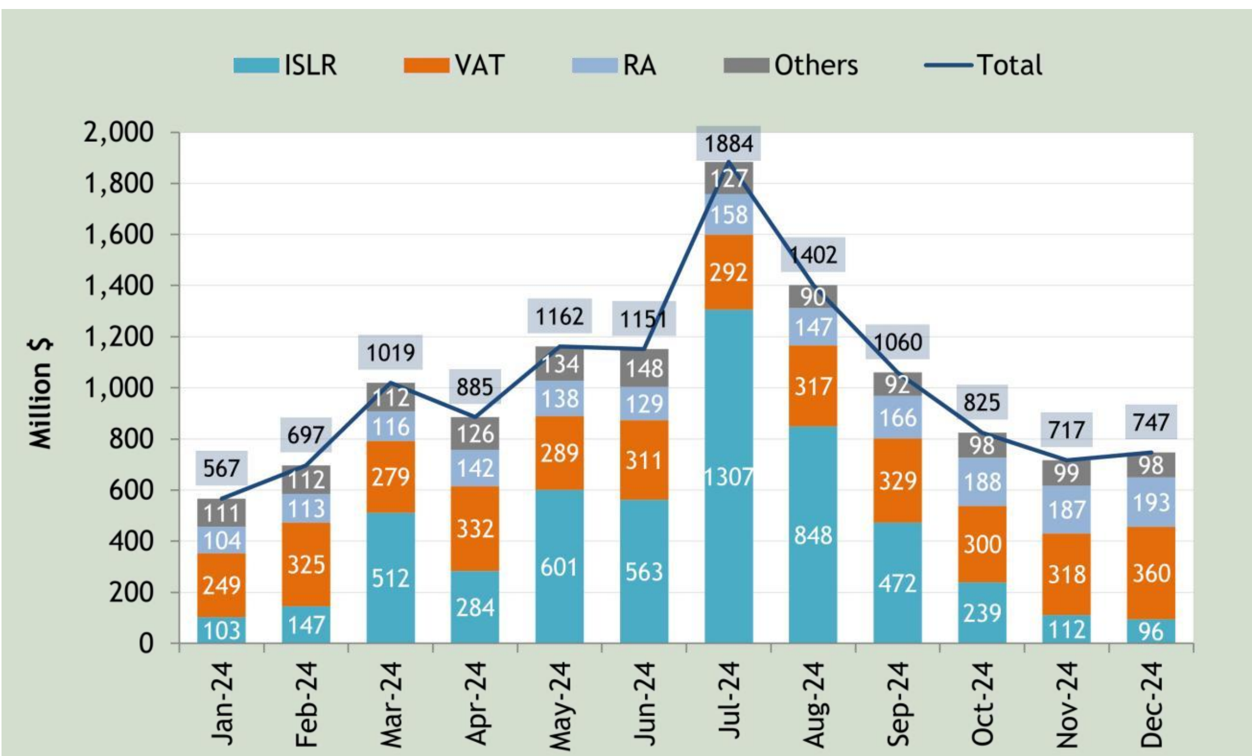
(p): proyected.
Source: OPEC (2025), and own calculations.

Figure 7: Venezuela. Official exchange rates (OER), Parallel (PER), and Differential



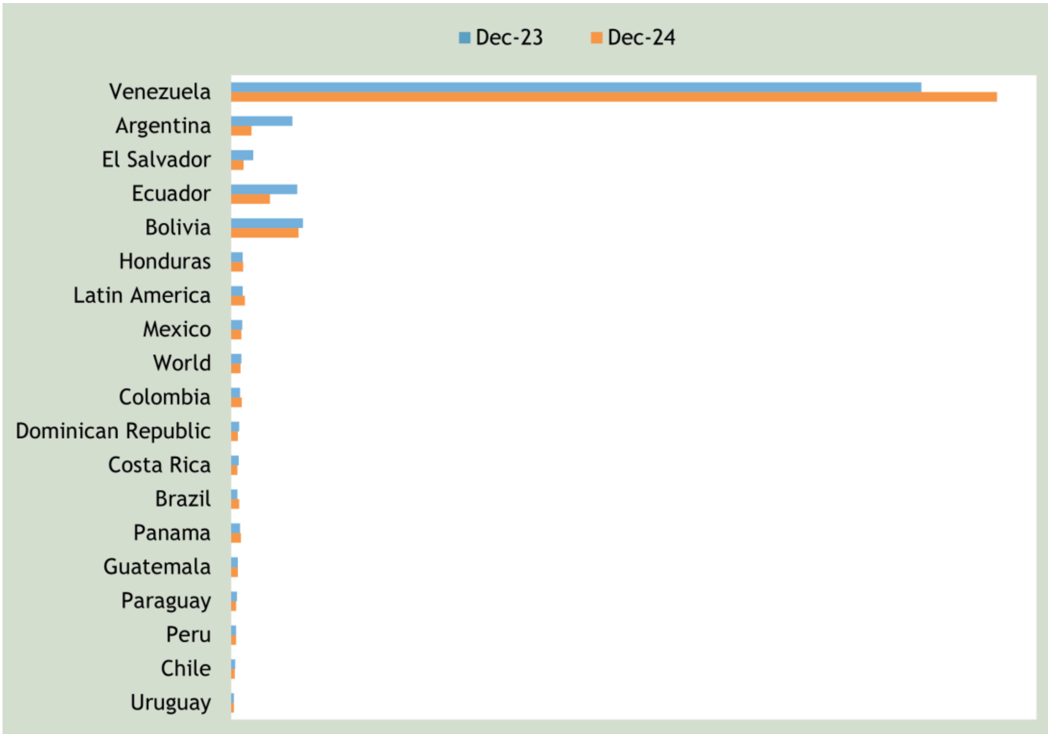
Source: BCV (2025), EnParaleloVzla (2025) and own calculations.

Figure 8: Venezuela. Domestic tax revenue



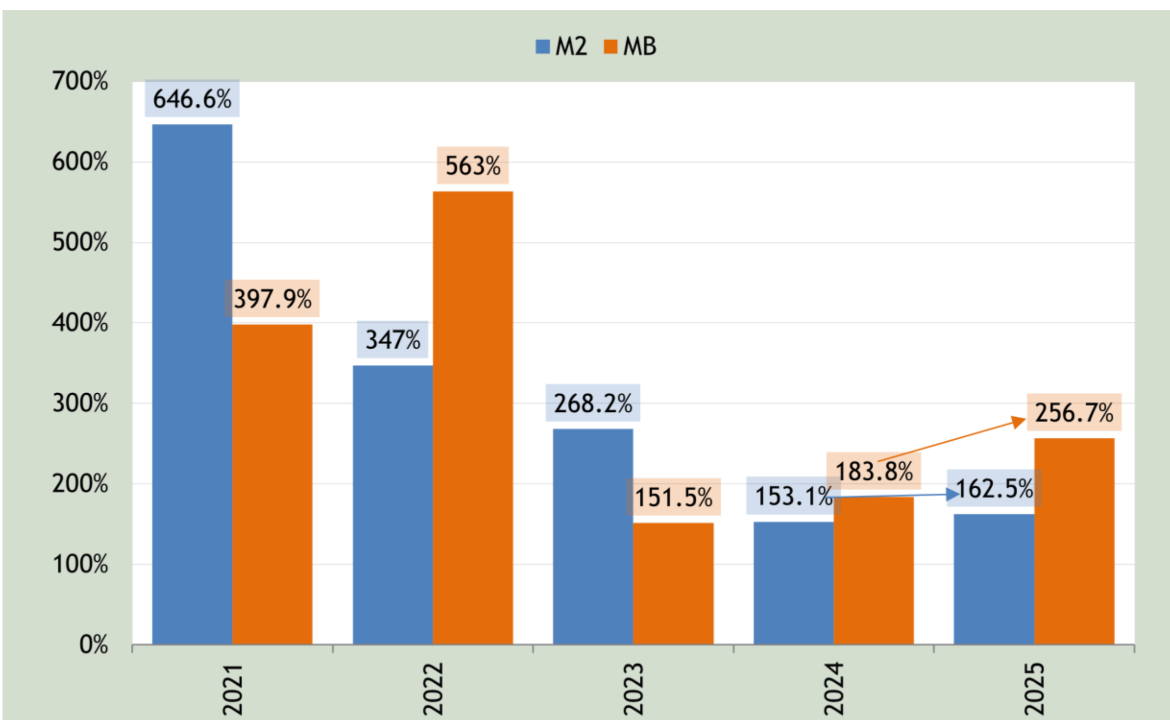
Source: SENIAT (2025), BCV (2025) and own calculations.

Figure 9: EMBI



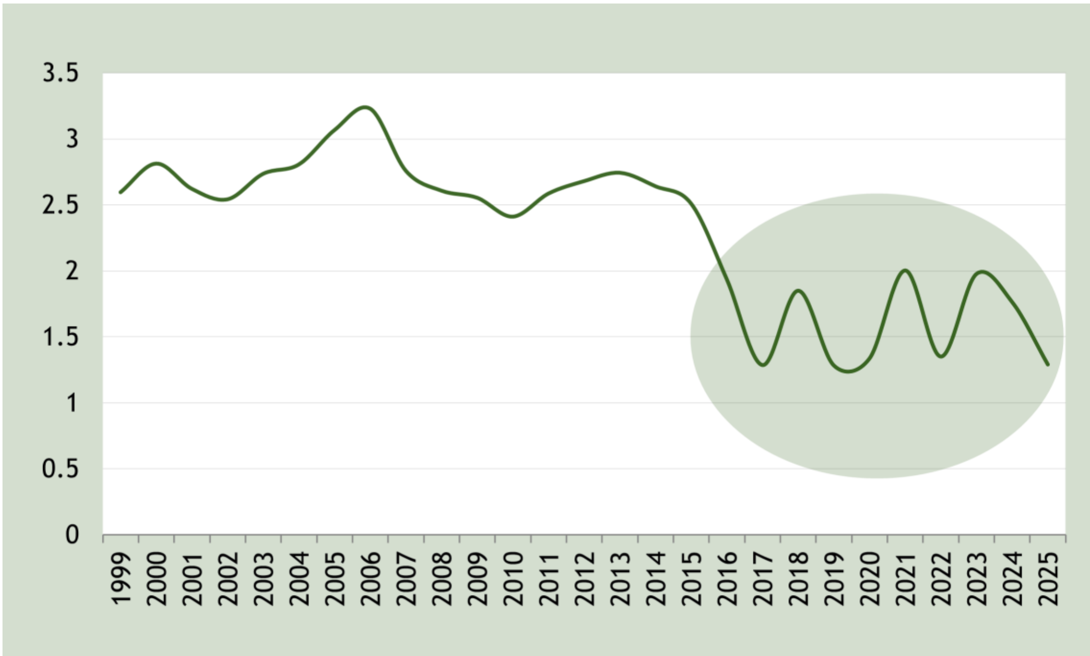
Source: INVENOMICA (2025)

Figure 10. Percentage change in the monetary base (MB) and liquidity (M2)



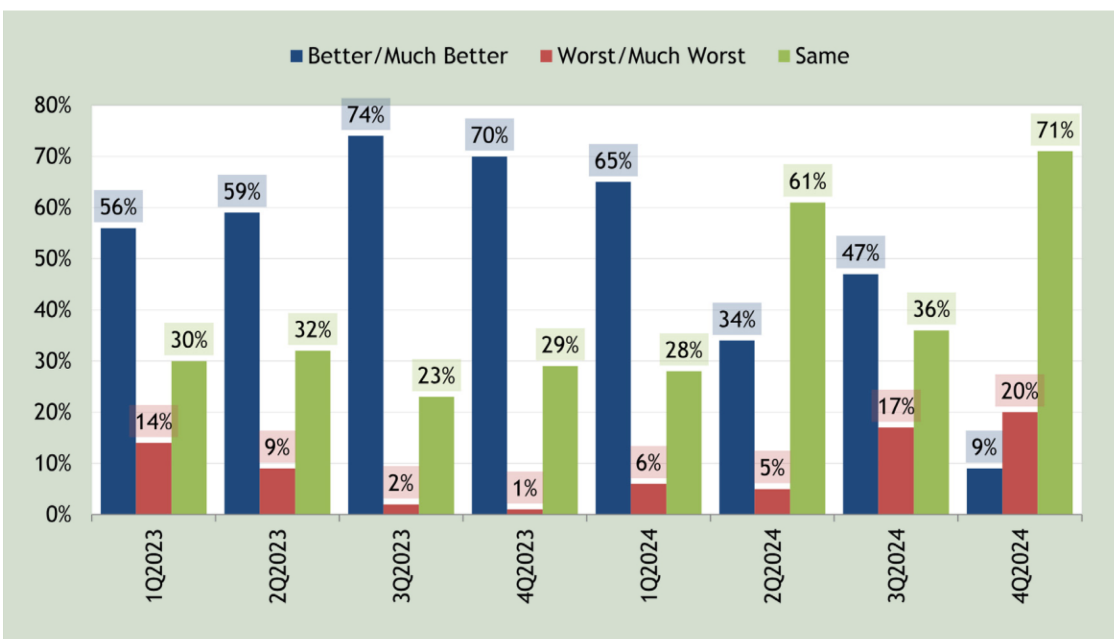
Source: BCV (2025) and own calculations.

Figure 11: Venezuela. Monetary multiplier



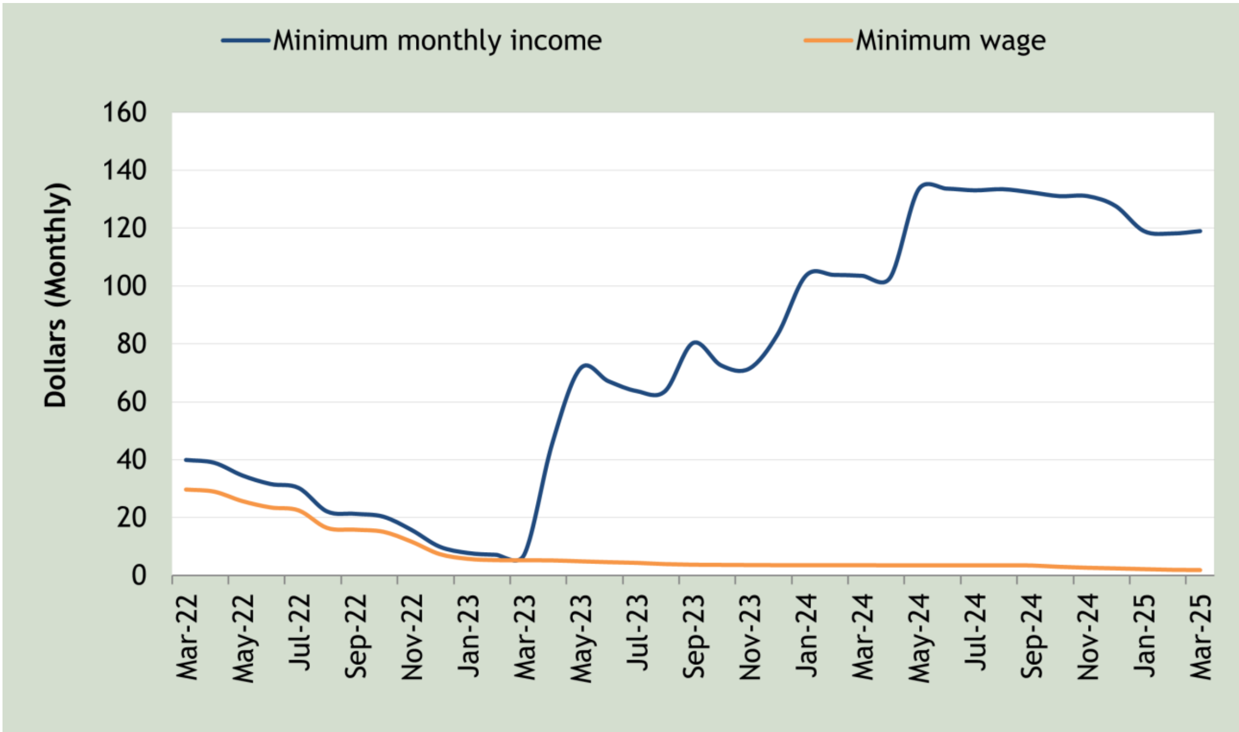
Source: BCV (2025) and own calculations.

Figure 12: Economic perception of the country for the next 12 months



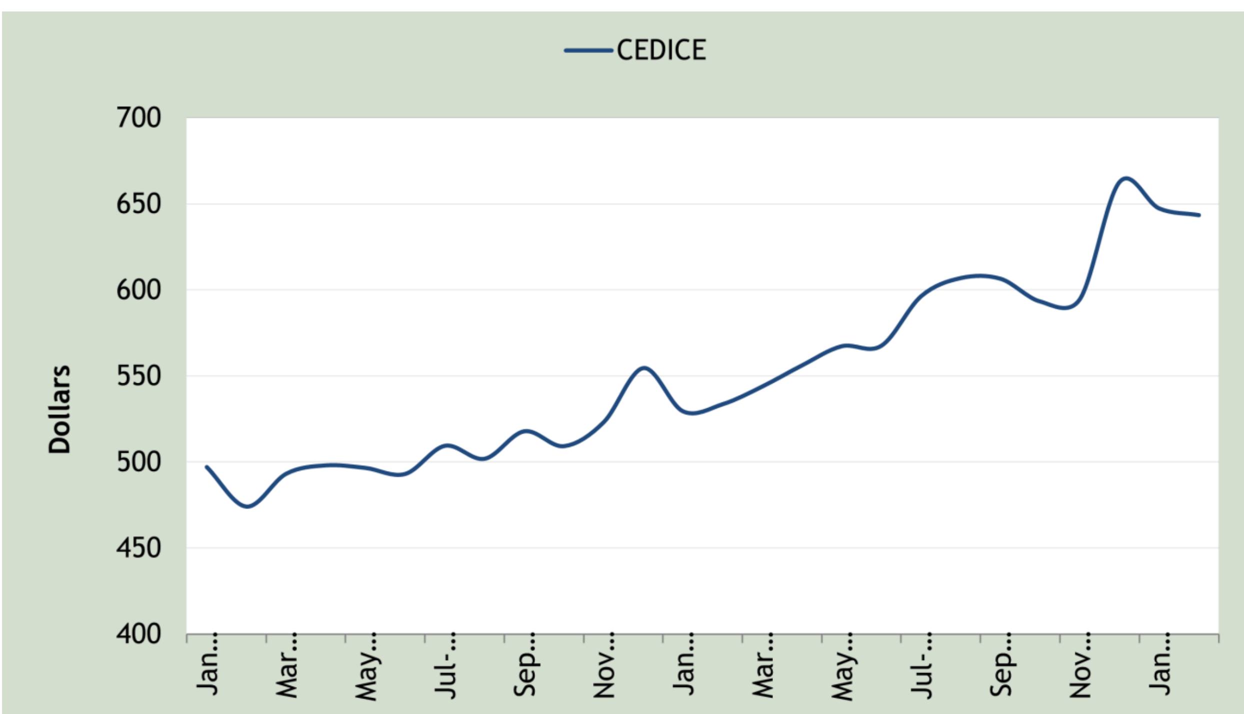
Source: CONINDUSTRIA (2024)

Figure 13: Comprehensive minimum income and minimum wage of a public sector employee



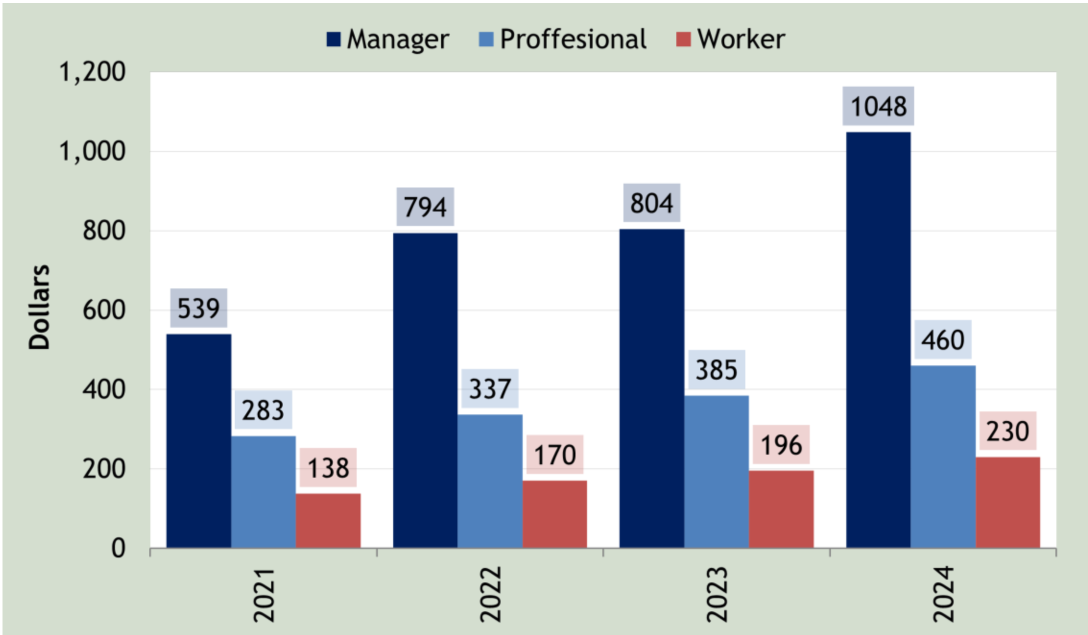
Source: Venezuelan Government (2025), official announcements, and own calculations.

Figure 14: Basket of Basic Goods according to CEDICE (monthly)



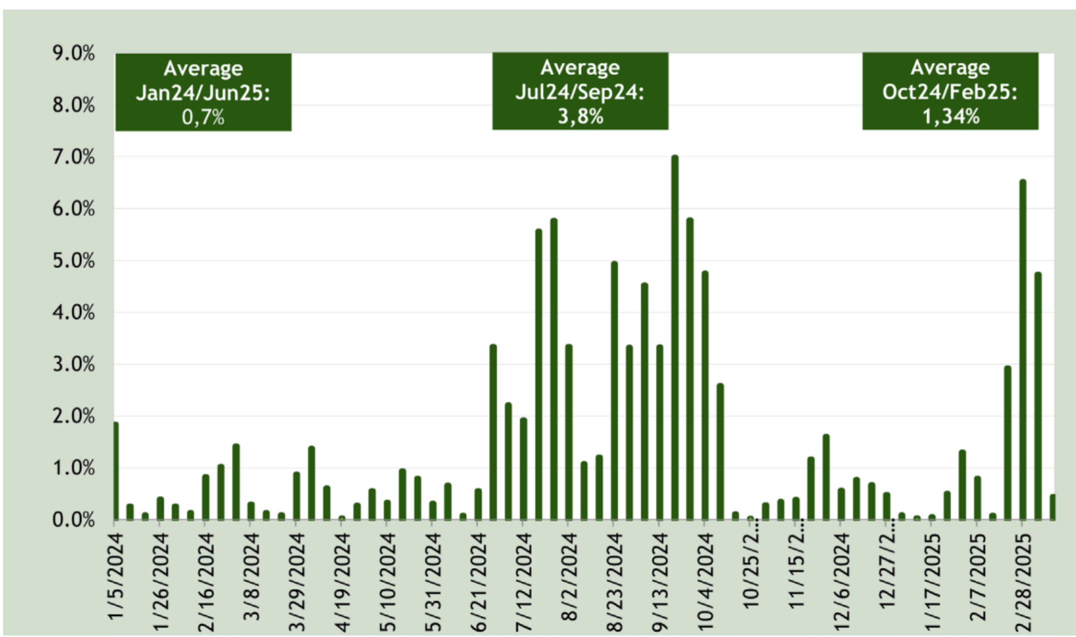
Source: CEDICE (2025)

Figure 15: Monthly remunerations by position in the industrial sector at the end of the year



Source: CONINDUSTRIA (2025)

Figure 16: Weekly Banking Liquidity Indicator (EBR/Deposits) total banking system

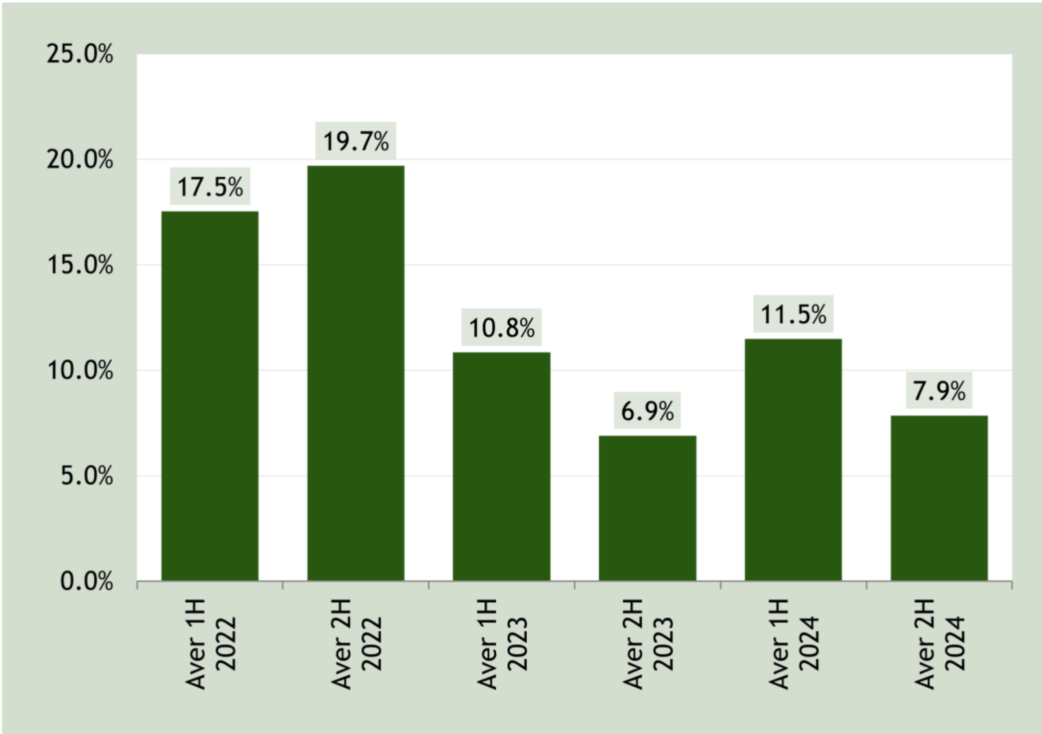


EBR: Excess Banking Reserves

1/ Accounting for the total of universal, commercial and microfinancial banks from both public and private sector.

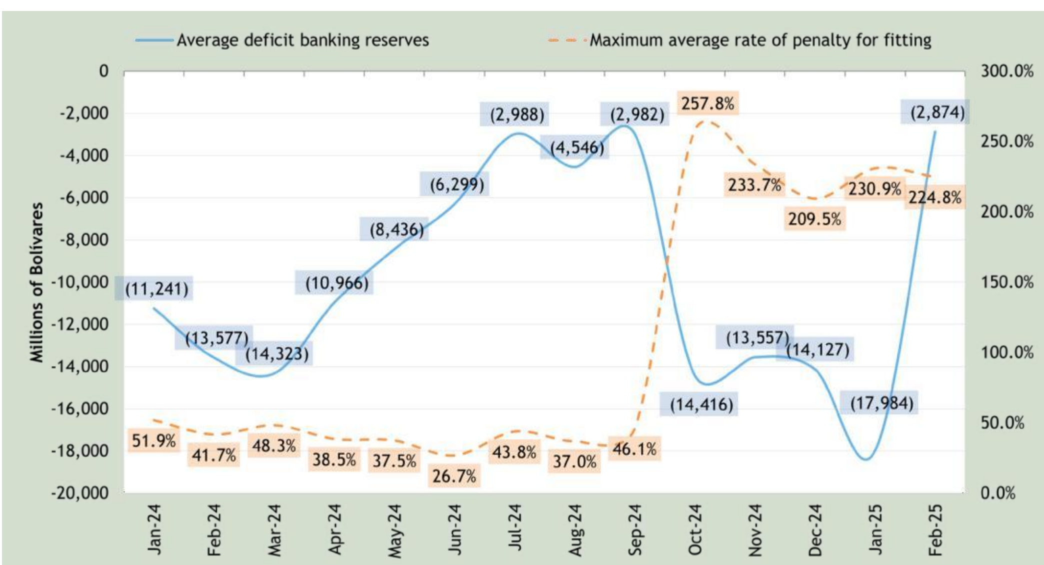
Source: BCV (2025) and own calculations.

Figure 17: Average semi-annual monthly variation rate



Source: BCV,(2025) and own calculations.

Figure 18: Average monthly behavior of reserve deficits and the COFIDE rate. Total Banking System



Source: BCV (2025) and own calculations.

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