



## Venezuela Economic Outlook

By Arca Análisis Económico

Here is our monthly summary of recent economic developments in Venezuela:

- The start of 2023 has been characterized by a reduction in economic activity, after closing 2022 with positive figures in all productive areas. Consulting firm Ecoanalítica's metrics, show a drop in commercial sales in the country, reflecting a difference of 17 percent in volume compared to January last year.
- Chevron had an impact on Venezuela's crude oil production results in January. The production reflected Chevron's dynamic start of activities after the issuance of its general license 14 on Nov. 26, 2022. The monthly average increased from 63,000 barrels per day (bpd) to 732,000 bpd. This is the highest level since 801,000 barrels were achieved in December 2021.
- On March 14, 2023, the Organization of the Petroleum Exporting Countries (OPEC) will publish the data in its monthly bulletin and wait to see if a jump similar to that of January is repeated. February should show that the improvement is consolidated.
- International reserves closed in February at \$9.460 million (minus \$420 million in the month). There has not been such a significant decrease (minus \$416 million) since March 2020. Awaiting the publication of the general balance of the Central Bank of Venezuela (BCV) corresponding to February.
- This drop in the international reserves coincides with the increase in the BCV's foreign currency sales in defense of the bolívar. It is estimated that it sold around \$350 million in February (vs. \$150 million in January). As of March 2, 2023, international reserves stood at \$9.470 million. This month, the BCV will see less demand due to the greater demand for bolívares to pay income tax.
- The price figures estimated by the Venezuelan Finance Observatory, corresponding to February 2023, indicate that the monthly inflation rate reached 20.2 percent, the accumulated 67.7 percent and the annualized 537.7 percent, higher than the 440 percent in January.
- At the detail level, the items that experienced the greatest increase were services with 156.3 percent, health at 15.8 percent, clothing and footwear at 13.5 percent and home equipment at 15.1 percent.

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