



Venezuela Economic Outlook

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

- During January 2023, there was a lot of discussion around a possible increase in the national minimum wage, which would pose a significant increase in public spending. However, to date, everything seems to indicate that the salary will not rise until May 1, 2023, the date on which announcements are traditionally made on salary issues because it is Venezuela's Labor Day. In the meantime, it has been proposed that income increase through the economic warfare bonus, which currently hovers between US\$15 and US\$30.
- On the other hand, it is expected that Chevron will soon start selling foreign currency at exchange desks of private banks. This new supply of currencies in the market will enter through transfers, and will give greater volume and fluidity to the operations of the exchange tables.
- In the national oil field, the new Petróleos de Venezuela S.A. (PDVSA) board of directors have already taken action. However, it seems that financial decisions are paralyzed until a general tonnage is concluded and there are decisions aimed at alleviating the recent deterioration in the supply of gasoline, facilitating its importation while affecting retail prices as little as possible.
- In this sense, Decree 4,767 of Jan. 13, 2023, exempts public and private entities from all taxes or fees on imports and sales in national territory of fuels and inputs for improving the quality of gasoline. Article 4 expressly exempts sales in the country of the same products from the Tax on Large Financial Transactions (IGTF) and Article 7 urges governments and municipalities to act in the same manner. The decree is valid for a maximum of one year.
- Additionally, on Jan. 19, 2023, PDVSA notified the service stations and gave them a period of 30 days to create companies that separate the management of convenience stores, which will not have the benefits of said exemption.

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