



Venezuela Economic Outlook

By Arca Análisis Económico

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

- OPEC reported stability in Venezuelan crude oil production in May. With the increases registered in March and April, Venezuela is exceeding the level of 700,000 barrels per day (bpd). Average production so far this year is 764,000 bpd (7 percent more than the 2022 average).
- According to reports, Chevron has a lot to do with this increase, although the production of the rest of the oil companies operating in the country has also increased. The information indicates that Chevron has already reached 130,000 barrels in June, so it is highly feasible that it will reach the goal of 150,000 barrels by December. It could even reach 175,000 barrels if infrastructure failures decrease and the dredging of Lake Maracaibo in Bajo Grande is achieved. In the first five months of 2023, the estimate is that Chevron's production has increased by 55,000 barrels and that the rest of the industry increased by 85,000 barrels.
- In other news, Petróleos de Venezuela S.A. (PDVSA) has decided to increase the price of diesel. Starting July 6, 2023, the price of diesel will cost US\$0.32 per liter. This increase was set after the national government delivered it for free for 3 years. This subsidy will continue exclusively for the country's health institutions, as reported by the Bloomberg agency.
- The president of the National Association of Supermarkets and Self-Services (ANSA) reported that the food basket corresponding to June 2023 was US\$240. He also highlighted that, in January 2023, the ANSA basket was US\$301 and in May, it stood at US\$252. He maintained that the drop in price is due to promotions in supermarkets.
- The executive director of the Venezuelan Chamber of Shopping Centers (Cavececo) reported that during the first quarter of this year the sector was affected by a decrease in consumption. However, in the second quarter of the year there was "movement" within the shopping centers, which is why the sector maintains positive expectations for the start of the school recess. It is mentioned that there has been a 40 percent recovery in sales during this first half of the year, compared to the first half of 2022.
- According to a Cavececo representative, at the end of 2022, the level of vacancy in shopping centers was 15 percent. Currently, it is 12 percent on the national average.

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