



Venezuela Economic Outlook

By Arca Análisis Económico

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

- The recent report by the Venezuelan Finance Observatory (OVF) reveals a 2.7 percent contraction in Venezuela's economic activity during the first quarter of 2025, compared to the same period in the previous year. The main justification for this decline lies in a 5 percent decline in the non-oil sector, the negative impact of which could not be offset by the 7.4 percent growth observed in oil activity.
- However, President Nicolás Maduro has maintained the existence of a trajectory of economic growth for the last 15 consecutive quarters. Despite the absence of official gross domestic product (GDP) data from the Central Bank of Venezuela (BCV) since the second quarter of 2024, the president indicated an increase of more than 4.5 percent at the end of the first quarter of 2025, which, in his opinion, consolidates this expansionary trend. This statement was reiterated by Executive Vice President Delcy Rodríguez, who dismissed the International Monetary Fund (IMF) projections that anticipate a possible 4 percent contraction in the Venezuelan economy for the current year.
- In contrast, the most recent data from the Cedice Libertad Public Spending Observatory (OGP) show Venezuela's GDP growth of just 1.4 percent at the end of the first quarter of 2025, representing one of the lowest rates of expansion since the start of the economic recovery in 2021. The OGP's analysis of domestic aggregate demand reveals a moderate increase in private consumption of 1.2 percent and public sector spending of 1.1 percent during the first quarter of 2025.
- In the realm of economic policies, President Maduro announced on April 30, 2025, an adjustment to the minimum comprehensive income for workers, setting it at an indexed equivalent of US\$160 in bolivars. The head of state explained that this increase responds to the rise in the so-called "war bonus," which rose from \$90 to \$120 indexed, while maintaining the Cestaticket amount at \$40. Similarly, an increase in pensions to \$50 indexed and the creation of a "unified family protection bonus" through the Patria System were announced. Additionally, the activation of credit lines through employee payrolls (Credinómina) as a benefit for the working class was announced, delegating to Executive Vice President Rodríguez the provision of additional details on these economic measures.

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