



# Venezuela Economic Outlook

By Arca Análisis Económico

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

- The macroeconomic outlook for Venezuela in March 2026 reflects a scenario of adjustments and contrasts, where the stabilization expectations outlined at the beginning of the year have faced a more complex operational reality. Following the optimism generated by the consolidation of energy alliances and the new institutional framework for the oil sector, activity contracted by 12 percent in February 2026 compared to November 2025 levels, placing production at an average of 1 million barrels per day. This decline, the lowest level recorded since mid-2024, is mainly due to logistical disruptions caused by a naval blockade in early December 2025.
- In the financial sphere, the stabilization of the foreign exchange market lost its initial momentum during the first 10 weeks of the year. The supply of foreign currency through auctions was lower than in the same period of the previous year, and its execution was hampered by operational difficulties in a banking system still affected by the lingering effects of "overcompliance" and sanctions, temporarily leaving some \$400 million held up without a clear possibility of immediate use or deposit for the recipients. This administrative friction, coupled with the temporary uncertainty surrounding the exact flow of oil revenues, prevented market expectations from being anchored, leading to a widening of the exchange rate gap, which has hovered around 50 percent.
- In this context, the central bank's official interest rate has lost traction as a benchmark for price formation in the real economy, largely limiting itself to serving as a marker for tax payments and the adjustment of government bonds. Simultaneously, public spending is entering into a phase of seasonal expansion; after a contraction in the first week of March 2026, a monthly increase of 16 percent is projected, driven by payroll commitments and indexed allocations. This will inject liquidity that will test the authorities' ability to contain inflationary pressures, depending heavily on the timely injection of the expected \$465 million to bolster the auctions.
- Alongside the challenges in the hydrocarbon sector, the country is making decisive progress in diversifying its revenue streams, with a key milestone in the gold and critical minerals industry. The recent decision by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) to issue a license authorizing certain transactions and activities involving Venezuelan gold has catalyzed an immediate legislative response domestically.
- The National Assembly approved the first reading of a comprehensive reform of the Mining Law. This strategic alignment between easing international restrictions and modernizing the national regulatory framework aims to formalize mining operations, guarantee mineral traceability and provide the legal and institutional security essential for attracting large-scale foreign investment, thus consolidating this sector as a key complementary pillar for fiscal recovery.
- Overall, the first quarter of 2026 paints a picture of an economy in full transition, navigating between resolving immediate logistical bottlenecks and capitalizing on a geopolitical environment that



demands its raw materials. Productive and commercial success for the remainder of the year will depend on the speed with which the oil export infrastructure is normalized, the fluidity and transparency of foreign exchange flows to stimulate sluggish private consumption and the effective implementation of ongoing legal reforms – essential elements for transforming bilateral agreements and sanctions relief into robust and balanced economic growth.

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