



## Venezuela Economic Outlook

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

- Venezuela's macroeconomic environment in March 2026 was marked by a stark contrast between expanding fiscal spending and persistent challenges in maintaining exchange rate stability. In the first quarter of the year, the official supply of foreign currency through the banking system reached US\$2.2 billion, practically doubling the figure recorded in the same period of 2025. Despite this apparent abundance and a record intervention of US\$470 million toward the end of March, irregular allocations to financial institutions and asymmetries in the flow prevented the anchoring of exchange market expectations. As a result of these frictions and the heavy injection of liquidity, the gap between the official and parallel exchange rates consolidated above 40 percent, averaging 55 percent for much of the quarter.
- This imbalance in the foreign exchange market is primarily driven by the aggressive execution of public spending, which reached the equivalent of US\$5.7 billion in the first quarter, representing a substantial 800 percent increase in nominal terms compared to the previous year. In March alone, the creation of fiscally generated money was vigorously boosted by the adjustment to the Economic War Relief Income (ICGE), which was raised to US\$150 per month for active public sector workers, in addition to the respective proportional increases for retirees and pensioners. The materialization of these massive disbursements immediately stimulated household consumption, although it simultaneously exacerbated the excess demand for foreign currency, forcing the Central Bank of Venezuela (BCV) to constantly calibrate its sterilization operations and auctions to mitigate runaway inflation.
- Meanwhile, the country's commercial and transactional activity continues to increase steadily. This is evidenced by the performance during the Easter holiday season, where authorities reported a 17 percent increase in electronic transactions compared to the same period the previous year, reflecting greater domestic travel and a clear boost to the local economy. This vitality in consumption is increasingly supported by the rapid maturation of the digital economy and alternative financing methods. In fact, the national payments ecosystem has found a key driver in the "Buy Now, Pay Later" (BNPL) credit scheme, which registered an extraordinary year-on-year growth of 250 percent at the end of last year, sustaining the acquisition of goods for families and complementing a robust home delivery sector that already employs hundreds of thousands of workers nationwide.
- The restructuring of wages and salaries remains a critical issue in the economic and social debate, especially given the distortion caused by the continuous bonuses to public sector salaries without any impact on formal employment benefits. In response to pressure from various sectors, the country's interim presidency recently announced the preparation for a "responsible" wage increase to be implemented on May 1, 2026. To accompany this measure and seek a structural and sustainable solution, the executive branch ordered the formation of a Labor Dialogue Commission, a



tripartite body tasked with the complex job of redesigning the social security system and advancing a reform of the labor regulatory framework that guarantees the recovery of purchasing power in line with private sector productivity.

- Finally, the prospects for strengthening the national accounts point inexorably toward the diversification and institutional regulation of resource exploitation. With a view of boosting these revenues and formalizing the extractive industry, state institutions have taken a decisive step with the new Organic Law of Mines. This legislation, which reorganizes the exploitation of strategic minerals and establishes clearer regulations to attract investment, has recently received constitutional approval from Venezuela's Supreme Court of Justice (TSJ), with the aim of consolidating a modern legal framework that aspires to make the mining sector a fundamental anchor for the nation's macroeconomic stabilization.

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