



Venezuela Economic Outlook

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

- In recent weeks, Venezuela's economic and financial landscape has been shaped by dynamics aimed at macroeconomic stabilization. At the center of this trend is an active foreign exchange intervention policy by the Central Bank of Venezuela (BCV), which has been injecting a steady supply of foreign currency to calm the market. During April 2026, official foreign currency sales reached US\$1.26 billion and an intervention of approximately US\$1.35 billion is projected for May.
- This aggressive strategy has substantially reduced the exchange rate gap and significantly slowed the pace of the bolivar's depreciation. Thanks to these measures, price pressures have eased, bringing inflation down to 10.6 percent at the close of April. According to the BCV's recent projections, these actions are laying the groundwork for the country to begin recording progressively lower inflation.
- One of the key drivers behind this renewed momentum is the profound restructuring of international trade, fueled by the easing of sanctions. During the first quarter of 2026, commercial trade between Venezuela and the U.S. grew by 23 percent, exceeding US\$3.29 billion and reaching its highest level since 2018. This bilateral flow has been driven by the rebound in Venezuelan oil exports, which averaged 1.23 million barrels per day in April, even amid the global volatility generated by the logistics crisis in the Strait of Hormuz. This operational relief has been supported by the granting of approximately 18 foreign economic licenses in the last 90 days.
- Alongside commercial relief, the country experienced a crucial diplomatic milestone with the formal restoration of its institutional ties with the International Monetary Fund (IMF) and the World Bank. This rapprochement promises unconditional access to US\$4.9 billion in Special Drawing Rights (SDR) – financial resources that are expected to be allocated primarily to restoring the electricity system and portable water network. The normalization of these relations has also encouraged the Inter-American Development Bank (IDB) to prepare for the resumption of its direct operations in the country.
- In the long term, this new stage of integration and multilateral assessment will facilitate the technical updating of macroeconomic statistics. This step is the essential diagnostic foundation for negotiating a possible restructuring of Venezuela's external public debt.
- On the labor front and in terms of household purchasing power, May brought important decisions that shaped the structure of public spending. The executive branch announced an adjustment that raised the indexed Comprehensive Minimum Income (IMI) to US\$240 per month for public sector workers and adjusted pension level to US\$70 per month. Although the measure will inject liquidity into consumption and impact both fiscal outlays and demand for foreign currency, it leaves the legal minimum wage unchanged at 130 bolivars.



- This decision reaffirms the state's policy of wage reduction and bonus-based compensation, seeking to protect public finances by avoiding a cascade of retroactive labor liabilities. Despite representing an increase of more than 26 percent in total income, this compensatory scheme remains only a partial relief from the cost of living, as the newly established amount covers, on average, just over 43 percent of the family food basket.

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