



Venezuela Economic Outlook

By Arca Análisis Económico

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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First Deals Under the New Investment Regime in Venezuela

By Holland & Knight

With the entry into force of the reform to the Organic Law of Hydrocarbons, the enactment of the new Organic Law of Mines and the issuance of general licenses by the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC), international operators with strategic assets in Venezuelan territory have entered into contractual agreements.

In the hydrocarbons sector, on April 30, 2026, subsidiaries of U.S. companies signed non-binding preliminary agreements with the Venezuelan government involving investments of up to US\$2 billion. These projects will focus on the Monagas, Anzoátegui and Barinas regions within the Orinoco Belt and involve the exploitation of both heavy crude and associated gas.

These agreements are part of a series of significant developments that took place in April, as meetings were held between energy sector representatives and Venezuelan authorities that, ultimately, led to the execution of agreements for the joint development of oil fields within the Orinoco Belt, which has *in situ* reserves.

Additionally, plans have been announced to increase current crude production in the short term and to significantly expand it in the coming years. In the natural gas segment, licenses are being processed for priority projects, notably the development of an offshore field with substantial estimated gas reserves.

Regarding trade flows, Venezuelan oil exports reached 1.23 million barrels per day in April 2026, the highest monthly level since the end of 2018. This represents a 14 percent increase compared to March, with a total of 66 vessels departing from Venezuelan waters during the month.

Indian refineries have emerged as the largest buyers of Venezuelan crude, filling the gap left by China following the United States' decision to oversee the country's oil sales. Furthermore, flights between Miami and Caracas have resumed after a seven-year suspension, and the International Monetary Fund has reengaged institutionally with Venezuela for the first time since 2019, which could ultimately enable access to financial support mechanisms for the country.

In conclusion, the convergence of Venezuela's new regulatory framework, OFAC licenses and political will has led to the execution of agreements with international operators involving billions of dollars in hydrocarbons and parallel developments in the mining and energy sectors. To date, most of the agreements executed consist of memoranda of understanding and non-binding preliminary agreements that require detailed structuring, regulatory due diligence and sophisticated contractual design.

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Current Legal and Institutional Developments in Venezuela

By Tinoco Travieso Planchart & Nuñez

In recent weeks, several regulatory and economic developments have taken place in Venezuela, with potential implications for companies, investors and international stakeholders interested in the Venezuelan market. Among the most relevant developments are:

- entry into force of the Organic Law for the Expediting and Optimization of Administrative Procedures
- entry into force of the new Organic Law of Mines
- issuance by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) of 1) a license concerning negotiations of contingent contracts with the Venezuelan government, 2) a license related to certain financial transactions involving Venezuelan state-owned banking entities, and 3) a license concerning services associated with potential Venezuelan debt restructuring processes

In the legislative sphere, the Organic Law for the Expediting and Optimization of Administrative Procedures was published. The law aims to establish mechanisms to streamline and optimize administrative procedures before the agencies and entities of the Public Administration through shorter timeframes and simplified procedures.

Among other aspects, the law empowers the Office of the President of the Republic to 1) suspend, reduce, modify or eliminate permits, requirements and administrative procedures, 2) order the digitization of processes, 3) promote the creation of one-stop digital portals, and 4) establish standardized measures for administrative procedures. The law provides that agencies and entities of the Public Administration must adapt their procedures to the principles established within a period of 180 consecutive days from its publication.

Furthermore, on April 16, 2026, the new Organic Mining Law was published, a legal instrument that comprehensively reforms the legal framework applicable to mining activity in Venezuela. The law recognizes different forms of participation in the sector, including state-owned enterprises, joint ventures, authorized private companies, and small-scale and artisanal mining operators.

The regulations provide for the granting of mining concessions for renewable periods of up to 30 years. They also incorporate provisions designed to preserve the economic and financial balance of contracts in the face of potential tax changes and allow for the submission of disputes to alternative dispute resolution mechanisms, including arbitration.



In tax matters, the law establishes royalties of up to 13 percent on the gross production of the mineral and mining tax of up to 6 percent on income derived from production. It also establishes certain tax incentives and exemptions for activities regulated by the law.

Internationally, OFAC issued General License No. 56, which authorizes certain commercial negotiations related to contingent contracts with the government of Venezuela. The license allows parties to conduct negotiations and enter into preliminary agreements, memoranda of understanding, offers and commercial proposals, provided that the entry into force and execution of such contracts are expressly conditioned upon a subsequent specific authorization from OFAC.

Additionally, OFAC issued General License No. 57, which authorizes certain transactions related to the provision of financial services involving, among others, the Central Bank of Venezuela, Banco de Venezuela, Banco del Tesoro and other public financial entities. The license covers financial and banking operations such as fund transfers, payment services, correspondent accounts, issuance and use of payment cards, digital wallets and other related financial services.

Finally, OFAC issued General License No. 58 concerning certain legal, financial and consulting services associated with potential debt restructuring processes involving the Republic, Petróleos de Venezuela S.A. (PDVSA) and their related entities. The authorization covers activities related to the analysis, evaluation and preparation of proposals to potential restructuring processes, although it excludes the actual execution of restructuring agreements, along with the transfer or liquidation of debt.

Taken together, these developments reflect a context of domestic regulatory adjustments and partial easing of certain international restrictions, with potential implications for strategic sectors, commercial operations and investment expectations related to Venezuela.

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