



Venezuela Economic Outlook

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

- The Venezuelan economy is moving through a period of profound transformation and complex structural challenges, shaped by geopolitical developments and unexpected shocks. According to reports from the United Nations Development Programme (UNDP), the country continues to follow a sustained growth trajectory. However, this momentum has been tempered by the impact of the earthquakes that occurred on June 24, 2026, which reduced the expected pace of growth by half a percentage point, bringing annual gross domestic product (GDP) projections to 6.5 percent. Even so, the indicators point to a reactivation of economic activity.
- A decisive factor in this economic landscape is the new framework for diplomatic relations, including the binational agreement reached in late August 2026 between the U.S. and Venezuela. The geopolitical and economic implications of this agreement, within the development of the North American Blue Energy Partners (NABEP) association, are significant. The arrangement seeks to increase national oil production to 1.5 million barrels per day, supported by substantial investments from international energy companies such as Chevron.
- In addition, the productive response to reconstruction-related challenges has taken a different course, with an emphasis on the domestic market. The Association of Freight Forwarders and Customs Agents of Venezuela (*Asociación de Agentes de Carga y Aduana de Venezuela* or ASOCAV) expects the country to close 2026 with very modest import growth of less than 2 percent. This commercial moderation reflects a strategy aimed at stimulating local manufacturing and avoiding a disproportionate increase in foreign currency outflows. As a result, national rebuilding efforts could support local industries on a more sustainable basis.
- On the monetary front, recent performance has produced mixed results amid efforts by the Central Bank of Venezuela (BCV) to contain price increases. Officially, inflation declined in August, reaching 8.9 percent month-over-month. Nevertheless, underlying pressures persist, as accumulated inflation exceeded 200 percent by the end of that same month. To contain these pressures and slow the depreciation of the bolivar, the BCV has continued to pursue a foreign exchange intervention policy.
- To put this institutional intervention into perspective, it is important to note that dollar injections by the BCV into the market exceeded US\$11 billion over the course of the year. This volume of resources is equivalent to nearly 58 percent of total oil exports, reflecting a significant pace of foreign currency sales. At the same time, the monetary authority has reactivated several regulatory mechanisms to absorb excess liquidity. These measures are intended to strengthen the value of and demand for the local currency amid a strong preference for the U.S. dollar.
- As part of these measures, authorities announced an increase in the punitive legal reserve requirement, which rose from 62 percent to 192 percent on bank shortfalls. The authorities also adjusted interest rates within the financial system, setting a minimum annual cost of 16 percent for commercial loans and microcredits. Although these measures increase financing costs for



productive sectors, they are designed to establish an anchor that discourages purchases of foreign currency. The principal objective remains to reduce the expansionary effect generated by increased public spending.

- The weight of this government spending continues to be a significant factor in expanding liquidity and the exchange rate gap, which typically stands at around 17 percent. Recurring payments associated with the Workers' Comprehensive Income (IIT) and various bonuses under the Sistema Patria generate a flow of resources that is quickly transferred to consumption. To offset the effect of these disbursements, the state routinely relies on the placement of hedging securities and intensive tax collection. This day-to-day management requires careful handling to preserve the stability of a system that is sensitive to changes in liquidity.

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