



Venezuela Economic Outlook

By Arca Análisis Económico

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

- A new license was issued on Nov. 26, 2022, to Chevron – License 41 – which allows it to start production in joint ventures where it is a minority partner, export to the U.S. and import equipment and supplies. License 41 is valid for six months, can be renewed and can be suspended if political negotiations don't move forward. Since then, the management of the four companies in which Chevron participates has been in charge of Petróleos de Venezuela S.A. (PDVSA).
- The current production of these joint ventures is very low: It does not reach 10 percent of the national production (717,000 barrels per day or bpd, according to official sources cited by the Organization of the Petroleum Exporting Countries). Industry participants believe that the two oil companies most likely to increase production under the limitations established by the License 41 are Petroboscan and Petropiar. The former has a secure market in the U.S. for its asphalt production and could raise its output to 60,000-80,000 bpd once major dredging work is completed in Lake Maracaibo.
- In another sense, in the first week of December 2022, the bolívar depreciated 32 percent. Revealing some exhaustion of the stabilization scheme in force in 2022, exacerbated by the payment of the third portion of bonuses that occurred on Nov. 30, 2022, these payments raise the excess reserves of the banks and it takes approximately two weeks to return to previous levels.
- The National Assembly (AN/Parliament) of Venezuela approved the debt proposal for 2023 presented by the Executive; as well as the budget for next year, which was settled at \$11.565 million, 14 percent less than that of 2022.
- Venezuelan President Nicolás Maduro announced that as of Jan. 1, 2023, the border with Colombia will be "completely" opened to allow the passage of private vehicles between the two nations, something that has not happened since 2015.

Learn more about our [Venezuela Focus Team](#).

Information contained in this newsletter is for the general education and knowledge of our readers. It is not designed to be, and should not be used as, the sole source of information when analyzing and resolving a legal problem, and it should not be substituted for legal advice, which relies on a specific factual analysis. Moreover, the laws of each jurisdiction are different and are constantly changing. This information is not intended to create, and receipt of it does not constitute, an attorney-client relationship. If you have specific questions regarding a particular fact situation, we urge you to consult the authors of this publication, your Holland & Knight representative or other competent legal counsel.
